

1 JOHN T. RICHARDS, ESQ. (SBN 159875)
john@richardswillisp.com
2 EVAN WILLIS, ESQ. (SBN 314797)
evan@richardswillisp.com
3 RICHARDS WILLIS PC
4 750 B Street, Suite 1760
San Diego, California 92101
5 T: (619) 237-9800

6 *Attorneys for Plaintiffs*

FILED
Superior Court of California
County of Butte
11/3/2021
Shant Elmalah, Clerk
By A. Snow Deputy
Electronically FILED

9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 FOR THE COUNTY OF BUTTE – NORTH JUSTICE CENTER

12 LARRY BIEGLER, an individual;
13 ALYSIA BIEGLER, an individual;

14 *Plaintiffs,*

15 vs.

16 NATIONAL GENERAL INSURANCE
17 COMPANY; and DOES 1 through 20,
18 inclusive

19 *Defendants.*

Case No.: 21CV02703

COMPLAINT FOR:

- 1.) Bad Faith
- 2.) Breach of Contract
- 3.) Contractual Breach of Implied
Covenant of Good Faith and
Fair Dealing

DEMAND FOR JURY TRIAL

22 COMES NOW, Plaintiffs LARRY BIEGLER and ALYSIA BIEGLER; (hereinafter
23 collectively "PLAINTIFFS") by and through her attorneys of record, who hereby allege as
24 follows:

25 **I.**

26 **JURISDICTION AND VENUE**

27 1. Venue and jurisdiction is proper in this court as the tortious acts alleged herein all
28 occurred in the City of Paradise, in the County of Butte, in the State of California. In addition,

1 all Defendant corporations are conducting business in the City of Paradise, in the County of
2 Butte, in the State of California. Lastly, the real property at issue is located in the City of
3 Paradise in the County of Butte, in the State of California.

4 2. Further, venue and jurisdiction are proper in the Superior Court of Butte County as
5 Defendant NATIONAL GENERAL INSURANCE COMPANY sold PLAINTIFFS
6 Homeowners Insurance Policy, policy number **2004443487** (hereinafter "THE POLICY") in
7 Paradise, County of Butte, collected premiums from PLAINTIFFS in Paradise, County of Butte,
8 and ultimately breached the terms of said insurance POLICY all within the County of Butte,
9 State of California. (See attached "EXHIBIT A").

11 3. PLAINTIFFS suffered severe destruction to real and personal property located at 5240
12 Edgewood Lane, Paradise, CA 95969 as a result of the 2018 Camp Fire in Paradise, California.

14 4. At all times herein mentioned, Defendant NATIONAL GENERAL INSURANCE
15 COMPANY ("NATIONAL GENERAL") was a corporation organized and existing under the
16 laws of the state of California doing the business as insurance company in the State of
17 California, County of Butte, City of Paradise, California; and as doing business as an insurer in
18 Butte County, State of California.

20 5. PLAINTIFFS complain against Defendants NATIONAL GENERAL INSURANCE
21 COMPANY and DOES 1- 20, inclusive, as follows:

23 **II.**
24 **GENERAL ALLEGATIONS**

25 6. At all times herein mentioned, there existed a contract of insurance between
26 NATIONAL GENERAL INSURANCE COMPANY and PLAINTIFFS, Homeowners
27 Insurance Policy, policy number **2004443487** (See attached "EXHIBIT A"), which provided
28

1 coverage to PLAINTIFFS in the event of a loss, as stated in THE POLICY. PLAINTIFFS'
2 coverage included losses, costs, and/or expenses including but not limited to \$523,120 for
3 dwelling, \$352,312 for other structures, \$366,184 for personal property; and \$104,624 for loss
4 of use.

5 7. PLAINTIFFS' property in Paradise, CA is and was a single family home at time of the
6 INCIDENT.
7

8 8. On or about November 8, 2018, PLAINTIFFS' home located at 5420 Edgewood Lane,
9 Paradise, CA 95969 was burned down in the Camp Fire. NATIONAL GENERAL accepted
10 coverage for the loss, but did not pay PLAINTIFFS all the monies due and owed under THE
11 POLICY. The amount offered to PLAINTIFFS for the loss covered under THE POLICY was
12 substantially less than what PLAINTIFFS damages were and which PLAINTIFFS were entitled
13 to and covered under THE POLICY. On July 22, 2021, NATIONAL GENERAL INSURANCE
14 COMPANY confirmed they would not be paying any more monies due and owed to
15 PLAINTIFFS under THE POLICY.
16

17 9. From the inception of PLAINTIFFS' interaction with the adjuster for NATIONAL
18 GENERAL INSURANCE COMPANY, it become clear that NATIONAL GENERAL
19 INSURANCE COMPANY'S adjuster harbored and exhibited prejudice against PLAINTIFFS,
20 who and refused to settle for a low-value offer in order to take advantage of PLAINTIFFS, who
21 were in a financially difficult position because their home, belongings, and entire lives were
22 burned in the Camp Fire, whom they decided would be unable to defend themselves against
23 NATIONAL GENERAL INSURANCE COMPANY'S wrongful and purposeful low-ball offer
24 for their claim covered under THE POLICY.
25

26 10. The adjusters, agents, and/or employees of NATIONAL GENERAL INSURANCE
27
28

1 COMPANY were constantly hostile to PLAINTIFFS throughout the claims process, telling
2 PLAINTIFFS they would not pay all monies owed the contract because "it isn't covered"
3 despite PLAINTIFFS' home's structural damage, hardscape damage, and contents damages,
4 and the like, arising from a fire, a covered loss, and PLAINTIFFS having the overwhelming
5 evidence that their damages exceeded THE POLICY limits. NATIONAL GENERAL
6 INSURANCE COMPANY was also provided a thorough and detailed documents which
7 detailed how the damages from the loss exceeded the amount of THE POLICY. NATIONAL
8 GENERAL INSURANCE COMPANY refused to consider any information which did not
9 support their pre-determined position that the loss worth less than they were entitled to under
10 THE POLICY.
11

12
13 11. Additionally, the NATIONAL GENERAL INSURANCE COMPANY adjuster
14 consistently acted irrationally towards PLAINTIFFS, including, but not limited to, refusing to
15 fully, completely, and properly inspect PLAINTIFFS' property after the fire, and refusing to
16 take measurements of PLAINTIFFS' property that would be required for repair and replacement
17 of the property, and refusing to pay for the destruction of property and damages PLAINTIFFS
18 experienced from a covered loss.
19

20 12. NATIONAL GENERAL INSURANCE COMPANY approached the investigation with
21 pre-determined findings, a pre-determined outcome, and a pre-determined conclusion, which
22 was evidenced by the NATIONAL GENERAL INSURANCE COMPANY adjuster stating they
23 were "holding their ground" and offering substantially less than PLAINTIFFS' actual damages
24 claimed and covered, before they even began fully investigating and before they inspected
25 PLAINTIFFS' claim or the scene to evaluate the entire scale of the destruction.
26

27 13. NATIONAL GENERAL INSURANCE COMPANY has purposefully chosen to
28

1 disregard all evidence to the contrary of their adjusters pre-determined opinions in which they
2 desired to unreasonably offer PLAINTIFFS an amount substantially less than the value of their
3 claim to take advantage of PLAINTIFFS for desperate position they were in after their home
4 burned down in the Camp Fire.

5 14. The fire was caused by a covered loss under THE POLICY. The fire caused
6 considerable damages to PLAINTIFFS' home's structure, hardscaping, and contents, for which
7 they are covered under THE POLICY. The fire further caused PLAINTIFFS to incur out of
8 pocket expenses, and costs and expenses for emergency services, relocation and displacement
9 expenses, and loss of use and enjoyment of their home.
10

11 15. NATIONAL GENERAL INSURANCE COMPANY also refuses to pay other amounts
12 due and owed on THE POLICY according to proof at time of trial.
13

14 16. NATIONAL GENERAL INSURANCE COMPANY failed to have an independent
15 investigation into the coverage and the scope of the loss, instead pre-selecting adjusters to give
16 predetermined opinions in which they desired to unreasonably and ultimately deny/refuse to
17 offer the full amount of PLAINTIFFS' damages for PLAINTIFFS' claims. In doing so,
18 NATIONAL GENERAL INSURANCE COMPANY failed to give the interests of their insured
19 at least as much consideration as they gave their own interests.
20
21

22 **III.**
23 **FIRST CAUSE OF ACTION FOR BAD FAITH**
24 **(PLAINTIFFS vs. ALL DEFENDANTS)**

25 17. PLAINTIFFS repeat and realleges each and every allegation made above, fully
26 incorporating those allegations as though full set forth herein.

27 18. PLAINTIFFS, at all times mentioned here, had in full force and effect an insurance
28

1 policy with NATIONAL GENERAL INSURANCE COMPANY, Homeowners Insurance
2 Policy, policy number 2004443487. THE POLICY covered certain real and personal property,
3 and loss of rents, and loss of use located at 5240 Edgewood Lane, Paradise, CA 95969 and was
4 in effect on the date of the loss on November 8, 2018.

5 19. Implied in THE POLICY was a covenant by NATIONAL GENERAL INSURANCE
6 COMPANY that NATIONAL GENERAL INSURANCE COMPANY would act in good faith
7 and deal fairly with PLAINTIFFS, and that NATIONAL GENERAL INSURANCE
8 COMPANY would do nothing to interfere with the rights of PLAINTIFFS to receive the full
9 benefits they are entitled to under THE POLICY.
10

11 20. PLAINTIFFS timely informed NATIONAL GENERAL INSURANCE COMPANY that
12 their home and personal property was destroyed in the 2018 Camp Fire. PLAINTIFFS' loss
13 from the fire which is covered by THE POLICY. NATIONAL GENERAL INSURANCE
14 COMPANY since refused to accept full coverage for the loss.
15

16 21. PLAINTIFFS are informed and believe, and based thereon allege, that NATIONAL
17 GENERAL INSURANCE COMPANY, deliberately, wrongfully, and in breach of the implied
18 covenant of good faith and fair dealing implied in the insurance contract (THE POLICY)
19 committed the following acts of bad faith:
20

- 21 a. Failed to pay significant portions of the claim, even after their own experts verified
22 the need for payment due to the fire;
- 23 b. Unlawfully withheld and hid facts about PLAINTIFFS' coverage, including reports of
24 NATIONAL GENERAL INSURANCE COMPANY'S experts favorable to
25 PLAINTIFFS and the claims process;
- 26 c. Misled PLAINTIFFS about the nature of the claim, the coverage, and the claims
27
28

1 process;

2 d. Refused to affirm coverage of aspects of the claim within a reasonable time;

3 e. Failed to acknowledge and act reasonably and promptly with respect to

4 communicating with PLAINTIFFS about the claims or their representatives;

5 f. Failed to acknowledge and act reasonably and promptly with respect to

6 communicating with PLAINTIFFS about the claims and/or claims process;

7 g. Delayed accepting coverage of undisputed portions of PLAINTIFFS loss until

8 PLAINTIFFS were forced to hire and pay for professional services;

9 h. Refused to perform a competent and timely investigation of the claim;

10 i. Refused to hire competent consultants to determine the full extent of the loss and the

11 proper method to return the property to its pre-loss condition;

12 j. Directed the claims investigation to a certain result wherein NATIONAL GENERAL

13 INSURANCE COMPANY paid little or no money by hiring experts who would give

14 NATIONAL GENERAL INSURANCE COMPANY favorable opinions, and then

15 concealing opinions of their own experts who were not favorable;

16 k. Unreasonably delaying the claims process to make PLAINTIFFS desperate to take

17 any amount offered;

18 l. Failing to pay undisputed portions of the claim;

19 m. Unreasonably having a predetermined bias against PLAINTIFFS;

20 n. Performing an unreasonable and inadequate investigation;

21 o. Discriminating against PLAINTIFFS for obtaining a Public Adjuster

22 Adjuster and/or individuals to assist them in their claim;

23 p. Never attempting, in good faith, a prompt, fair and equitable settlement of

1 PLAINTIFFS claims after causation and liability became reasonably clear;

2 q. Unreasonably and unjustifiably failed to timely and fully pay PLAINTIFFS claims
3 under the policy;

4 r. Refused to respond to PLAINTIFFS' inquiries as required by Insurance Code 790.03
5 (h) et seq., and California Code of Regulations Title 10, Chapter 3, Sub-Chapter 8 2695
6 et seq.;

7
8 s. Deliberately refused without legal or factual justification to fairly evaluate the re-
9 opened claims as mandated by C.C.P. 340.9;

10 t. Took an unreasonable position under C.C.P. 340.9 that deliberately misread the facts
11 and law in this claim;

12
13 u. Failing to properly act as stewards of THE POLICY and review and upgrade the
14 policy limits from time to times so that PLAINTIFF would be adequately compensated
15 in the event of a partial or total loss of their residence and belongings;

16 v. Engaging in other unreasonable and illegal claims practices with which are currently
17 unknown to PLAINTIFF, but which PLAINTIFF will likely discover during the
18 litigation of this case.
19

20 22. Further, because the claims investigation was purposefully curtailed to reach a certain
21 result which favored NATIONAL GENERAL INSURANCE COMPANY, thereby allowing
22 them to pay little or no money by hiring experts who would give NATIONAL GENERAL
23 INSURANCE COMPANY favorable opinions and low values, and then concealing opinions of
24 their own experts who were not favorable; these actions were purposefully directed by
25 NATIONAL GENERAL INSURANCE COMPANY'S officers, directors, and/or managing
26 agents who authorized and/or ratified the wrongful behavior of their adjusters and employees.
27
28

1 23. The NATIONAL GENERAL INSURANCE COMPANY officers, directors, and/or
2 managing agents who authorized and/or ratified the wrongful behavior of their adjusters/
3 employees had advance knowledge of the unfitness of the employee and/or representative, and
4 employed him or her with a conscious disregard of the rights or safety of PLAINTIFFS, and
5 authorized or ratified the wrongful conduct of the NATIONAL GENERAL INSURANCE
6 COMPANY adjusters/agents/employees pertaining to NATIONAL GENERAL INSURANCE
7 COMPANY's low offer which was substantially less than PLAINTIFFS' damages from the
8 fire. Because of this, NATIONAL GENERAL INSURANCE COMPANY is guilty of
9 oppression, fraud, and/or malice.
10

11 24. NATIONAL GENERAL INSURANCE COMPANY officers, directors, and/or
12 managing agents had advance knowledge of their agents and/or employees wrongful conduct,
13 and demonstrated a conscious disregard, authorized, ratified their conduct as complained
14 herein pertaining to the fire/loss which is an act of oppression, fraud, or malice must be on the
15 part of NATIONAL GENERAL INSURANCE COMPANY'S officers, directors, and/or
16 managing agent of their insurance corporation.
17

18 25. Moreover, in California, because of the "special relationship" between an insured and
19 an insurer, where an insurance company such as NATIONAL GENERAL INSURANCE
20 COMPANY acts in bad faith and the misconduct is egregious, punitive damages are available
21 under *Neal v. Farmers Ins. Exchange* (1978) 21 Cal.3d 910, 922-23). The conduct in this case is
22 particularly egregious because of NATIONAL GENERAL INSURANCE COMPANY's
23 insurance denial scheme and purposefully denial/undervalue of a covered claim.
24

25 26. Even more additionally, punitive damages are appropriate in this case because of the
26 purposeful "inordinate delays" caused by NATIONAL GENERAL INSURANCE COMPANY
27
28

1 during the claims process, including, but not limited to, NATIONAL GENERAL INSURANCE
2 COMPANY'S adjuster's handling of PLAINTIFFS' claim. Inordinate delays in handling or
3 investigating a claim may also justify punitive damages. (*Campbell v. Cal-Guard Sur. Services,*
4 *Inc.*(1998) 62 Cal.App.4th 563, 571). In this case, NATIONAL GENERAL INSURANCE
5 COMPANY purposefully delayed and stalled during the claims process for years until they
6 eventually purposefully undervalued PLAINTIFFS' claiming no other damages were covered.
7

8 27. Furthermore, punitive damages are particularly appropriate in this case because
9 NATIONAL GENERAL INSURANCE COMPANY, an insurance company, has an
10 institutionalized practice that is unreasonable and in bad faith. (*Neal, supra*, 21 Cal.3d at 923).
11 NATIONAL GENERAL INSURANCE COMPANY has a "broad fraudulent scheme" or an
12 "unlawful profit scheme" by purposefully curtailing their own evaluation the 2018 Camp Fire
13 with their own pre-determined contractors with the intent on denying/undervaluing fire claims
14 by simply stating there is insufficient evidence that the policy limits were reached, despite the
15 fire causing much more damage to PLAINTIFFS that was covered under THE POLICY. This
16 clearly justifies punitive damages against NATIONAL GENERAL INSURANCE COMPANY
17 in this case. (*State Farm Mut. Auto Ins. v. Campbell* (2003) 538 U.S. 408, 435–436).
18 NATIONAL GENERAL INSURANCE COMPANY also has "established policies and/or
19 practices" in their claims handling process which are harmful to insureds, making punitive
20 damages appropriate under (*Mock v. Michigan Miller's Mutual Ins. Co.* (1992) 4. Cal.App.4th
21 306, 329). As described above, NATIONAL GENERAL INSURANCE COMPANY has a vast
22 scheme to underevaluate claims by saying there is insufficient evidence, when there is.
23
24
25

26 28. Because of the PG&E Bankruptcy, insurance companies, including NATIONAL
27 GENERAL INSURANCE COMPANY were paid back 100-cents on the dollar by PG&E as a
28

1 result of a settlement whereby insurance companies were paid \$11 Billion in cash for their
2 coverage payouts from the Camp Fire. This makes NATIONAL GENERAL INSURANCE
3 COMPANY's purposeful denial of PLAINTIFFS' proven claims particularly egregious.

4 29. In addition, "the existence and frequency of similar past conduct" is evidence that raises
5 the likelihood of a punitive damage award. (*Pacific Mut. Life Ins. Co. v. Hasip* (1991) 499
6 U.S.1, 21). NATIONAL GENERAL INSURANCE COMPANY has decades of history
7 engaging in the behavior as complained herein.

8 30. Furthermore, NATIONAL GENERAL INSURANCE COMPANY failed to have an
9 independent investigation into the coverage and the scope of the loss of the loss, instead pre-
10 selecting experts to give them pre-determined opinions in which they desired to ultimately
11 deny/undervalue PLAINTIFFS' claims. In doing so, NATIONAL GENERAL INSURANCE
12 COMPANY failed to give the interests of their insured at least as much consideration as they
13 gave their own interests.

14 31. PLAINTIFFS are informed and believe, and based thereon alleges, that NATIONAL
15 GENERAL INSURANCE COMPANY committed other further acts of bad faith. Leave of
16 court will be sought to amend this Complaint as soon as the particulars of these bad faith actions
17 are discovered according to proof at the time of trial.

18 32. As a direct and legal result of NATIONAL GENERAL INSURANCE COMPANY'S
19 acts of bad faith, as herein alleged, PLAINTIFFS' home's structure, hardscaping, and personal
20 property, and contents remains damaged and in a worse condition than it was immediately after
21 the loss. Moreover, NATIONAL GENERAL INSURANCE COMPANY refuses to offer
22 PLAINTIFFS enough monies to compensate PLAINTIFFS for their losses. The full amount of
23 PLAINTIFFS' special damage especially exceeds that of their POLICY limits. PLAINTIFFS
24
25
26
27
28

1 will amend this pleading according to proof.

2 33. PLAINTIFFS were also compelled to hire an attorney to present their claim and to incur
3 attorney's fees and costs in an amount to be shown at the time of trial.

4
5 **IV.**

6 **SECOND CAUSE OF ACTION BREACH OF CONTRACT (PLAINTIFFS vs. ALL**
7 **DEFENDANTS)**
8

9 34. PLAINTIFFS repeat and reallege each and every allegation made above, fully
10 incorporating those allegations as though full set forth herein.

11 34. There is a valid and existing insurance agreement (THE POLICY) between
12 PLAINTIFFS and NATIONAL GENERAL INSURANCE COMPANY. See "EXHIBIT A,"
13 included herewith.
14

15 35. PLAINTIFFS performed under the agreement/ THE POLICY.

16 36. NATIONAL GENERAL INSURANCE COMPANY breached the agreement by, inter
17 alia, refusing to properly compensate PLAINTIFFS for a covered loss under the agreement/
18 THE POLICY.
19

20 37. Under the terms of the insurance contract (THE POLICY), NATIONAL GENERAL
21 INSURANCE COMPANY owed PLAINTIFFS a duty and guarantee to put PLAINTIFFS'
22 home and property into its pre-loss condition, to pay for all damage to structures, contents,
23 adjusted living expenses, business inventory loss, business income loss, and to provide
24 replacement coverage under the terms of THE POLICY.
25

26 38. NATIONAL GENERAL INSURANCE COMPANY breached their contract with
27 PLAINTIFFS by refusing to fairly and honestly adjust the loss, and by failing to adequately pay
28

1 the damage caused by a covered peril.

2 39. As a legal result of NATIONAL GENERAL INSURANCE COMPANY'S breach of
3 contract, PLAINTIFFS have suffered damages in excess of the jurisdiction of this court.

4
5 V.

6 **THIRD CAUSE OF ACTION FOR BREACH OF IMPLIED COVENANT OF GOOD**

7 **FAITH AND FAIR DEALING**

8 **(PLAINTIFFS vs. ALL DEFENDANTS)**
9

10 40. PLAINTIFFS repeat and reallege each and every allegation made above, fully
11 incorporating those allegations as though full set forth herein.

12 41. There is implied in every contract a covenant of good faith and fair dealing.

13 42. PLAINTIFFS and NATIONAL GENERAL INSURANCE COMPANY entered into a
14 valid and existing insurance agreement.

15 43. NATIONAL GENERAL INSURANCE COMPANY owed PLAINTIFFS a duty of good
16 faith and fair dealing.

17 44. NATIONAL GENERAL INSURANCE COMPANY breached its duty of good faith and
18 fair dealing by, inter alia, refusing to properly compensate PLAINTIFFS for the structural
19 damage from the fire which is covered under THE POLICY.

20 45. PLAINTIFFS sustained damages as a result of NATIONAL GENERAL INSURANCE
21 COMPANY'S breach of the implied covenant of good faith and fair dealing.

22 46. PLAINTIFFS has been required to retain the services of an attorney to commence this
23 action and are entitled to attorney's fees and costs.

24
25
26
27
28 ////

VI.

PRAYER FOR RELIEF

WHEREFORE, PLAINTIFFS prays for judgment against Defendant NATIONAL GENERAL INSURANCE COMPANY and DOE Defendants 1-20 in amount according to proof at the time of trial as follows:

1. All special damages according to proof;
2. All general damages including but not limited to worry, grief, distress, annoyance, anxiety, discomfort, and emotional damages according to proof;
3. Prejudgment and post-judgment interest from November 8, 2018, according to proof;
4. For interest at a legal rate on the sum of their claim from the date it should have been paid to the present;
5. For their losses unpaid and due under the insurance contract pursuant to California law in the amount to be shown at trial;
6. For additional general damages due as a result of the negligence, improper adjusting of this claim to be proven at trial;
7. For additional special damages including, but not limited to: cost to rebuild PLAINTIFFS property to its pre-loss condition, reimbursement for encumbrance of their primary commercial property, reimbursement for lost expenses and any additional special damages to be proven at trial;
8. For consequential damages as prescribed in California Code of Regulations, Title 10, Chapter 5, sub-Chapter 8, 2695 (a)(1);
9. For exemplary and punitive damages, in a sum necessary to punish NATIONAL GENERAL INSURANCE COMPANY and DOES 1-20, and to deter future similar acts of misconduct, including treble damages where appropriate;

1 10. For an award of monetary, statutory, compensatory, and punitive damages, where
2 appropriate and according to proof;

3 11. For any and all reimbursement arising out of the failed sale/real estate transaction of
4 the property;

5 12. All costs of suit, including appraisal fees, and all related fees incurred in proving
6 PLAINTIFFS' case and related reasonable litigation costs.

7 13. For such other and further relief as the Court shall deem just, all according to proof.
8

9 **PLAINTIFFS HEREBY DEMAND A TRIAL BY JURY.**

10 DATED: October 25, 2021

RICHARDS WILLIS PC

11
12 By: 

13 JOHN T. RICHARDS, ESQ.
14 EVAN WILLIS, ESQ.
15 *Attorneys for Plaintiffs*

16 RICHARDS WILLIS PC
17 750 B Street, Suite 1760
18 San Diego, CA 92101
19
20
21
22
23
24
25
26
27
28

“EXHIBIT A”

National General 
Auto, Home & Health Insurance
PO Box 3199 • Winston Salem, NC 27102-3199

Larry Biegler
Alysia Biegler
5240 Edgewood Ln
Paradise, CA 95969

Policy Number:
2004443487

Named Insured:
Larry Biegler

Policy Period: **12:01 AM**
1/23/2018 - 1/23/2019

Date of Notice: **12/4/2017**

Policy Underwritten By:
Integon National Insurance Company

24 Hour Claim Reporting: 1-800-468-3466
For Policy Information: (844) 582-7973
www.MyNatGenPolicy.com

9310556
NEA -Baker & Baker Agency
389 G Connors Ct
Chico CA 95926-1177
(530) 893-8301

Residence Premises
5240 Edgewood Ln
Paradise, CA 95969

HOMEOWNERS POLICY DECLARATIONS

TRANSACTION TYPE:
RENEWAL

PAYMENT TYPE:
MORTGAGEE BILLED

Dear Policyholder,

The NEA -BAKER & BAKER AGENCY and National General Insurance are pleased to present you with your homeowners renewal insurance policy.

A bill for your premium is being sent to your mortgagee separately requesting payment of the premium.

In the event of a loss, call our toll free number 1-800-468-3466 for 24-hour claim reporting. Our dedicated professionals are ready to help 24 hours a day, seven days a week.

Thank you for letting us be of service and if you have any questions, please contact NEA -BAKER & BAKER AGENCY at (530) 893-8301.

MESSAGES

PLEASE REFER TO THE "IMPORTANT NOTICES" SECTION OF THIS POLICY FOR IMPORTANT INFORMATION CONCERNING THIS POLICY.

To keep pace with rising replacement costs, your property coverage limits have been upgraded.

YOUR POLICY DOES NOT PROVIDE COVERAGE AGAINST THE PERIL OF EARTHQUAKE

YOUR POLICY DOES NOT PROVIDE COVERAGE FOR LOSS ASSESSMENT DUE TO EARTHQUAKE.

BASIC POLICY COVERAGES

SECTION I PROPERTY COVERAGES	LIMITS OF LIABILITY
A. DWELLING	\$ 523,120
B. OTHER STRUCTURES	\$ 52,312
C. PERSONAL PROPERTY	\$ 366,184
D. LOSS OF USE	\$ 104,624

SECTION I DEDUCTIBLE

We will pay only that part of the total of all loss and expense payable under Section I that exceeds: \$ 500.

SECTION II LIABILITY COVERAGES	LIMITS OF LIABILITY
E. PERSONAL LIABILITY – EACH OCCURRENCE	\$ 300,000
F. MEDICAL PAYMENTS TO OTHERS	\$ 5,000

ADDITIONAL COVERAGES

Extended Dwelling Replacement Cost
Limit: 50%

Amendatory Mold Endorsement
Section I Limit: \$5,000

Workers' Compensation

ATTACHMENTS

The following forms, endorsements and exceptions to conditions are part of the policy at time of issue. Please read them carefully.

FORM NO.	EDITION DATE	TITLE
HOIV 2001	03 15	CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT
CACIGA 1001	01 03	CALIFORNIA INSURANCE GUARANTEE
CAHOIV 2014	08 12	NOTICE TO CONSUMERS - CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE
HO 00 03	10 00	HOMEOWNERS 3 SPECIAL
HO 01 04	09 06	SPECIAL PROVISION - CALIFORNIA
HO 04 46	10 00	INFLATION GUARD
HO 04 96	10 00	NO SECTION II - LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS LIMITED SECTION I PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS
HO 24 82	10 00	PERSONAL INJURY
HO 24 90	08 01	CALIFORNIA WORKERS COMPENSATION RESIDENCE EMPLOYEES
HOIV 1008	02 04	HAZARDOUS SUBSTANCE LIABILITY EXCLUSION
HOIV 1009	03 15	ANIMAL LIABILITY
HOIV 2006	06 08	PROTECTION PLUS ENDORSEMENT
HOIV 2008	02 04	EXTENDED REPLACEMENT COST
HOIV 2010	02 04	HOMEOWNERS - REPLACEMENT COST ENDT - PERSONAL PROPERTY
HOIV 2011	02 04	PROTECTION DEVICES OR SECURITY MEASURES
HOIV 2315	02 04	FUNGUS RUST WET OR DRY ROT OR BACTERIA LIMITED COVERAGE

If you have chosen the Scheduled Personal Property Endorsement, please refer to that section which appears later in these policy declarations.

PREMIUM INFORMATION

BASIC PREMIUM	\$ 1,633
---------------	----------

TOTAL PREMIUM	\$ 1,633
---------------	----------

POLICY CREDITS

Included in the above premium are the following credits:

Protective Device Discount	Private Passenger Companion Credit
----------------------------	------------------------------------

MORTGAGEE/ADDITIONAL INSURED/ADDITIONAL INTERESTS

Mortgagee
J.P. Morgan Chase Bank, NA ISAOA/ATIMA
PO Box 100564
Florence, SC 29502
Loan#: 0634346266

RATING INFORMATION

RISK STATE CA	OCCUPANCY PRIMARY	COUNTY BUTTE	ZIP CODE 95969	FAMILIES 1	CONSTRUCTION FRAME	YEAR 2005
FEET TO HYDRANT 0-500	MILES TO STATION 0-5	PROTECTION CLASS 2	ROOF TYPE Asphalt/Shingle	ROOF AGE 12		
PRIMARY HEATING SOURCE NATURAL GAS	RATING DATE 12-04-2017					

Includes Copyrighted Material of Insurance Services Office, Inc. with its permission
Copyright, Insurance Services Office, Inc. 1988-2019

IMPORTANT NOTICES

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

The following endorsement applies to your policy.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

**SPECIAL PROVISIONS – CALIFORNIA
HO 01 04 09 06**

NOTICE

Throughout this policy, the term spouse includes an individual registered under California law as a domestic partner with the "named insured" shown in the Declarations.

SECTION I – EXCLUSIONS

8. Intentional Loss

The following paragraph is added:

This exclusion does not apply, with respect to loss to covered property caused by fire, to an "insured" who does not commit or conspire to commit, any act that results in loss by fire. We cover such "insured" only to the extent of that "insured's" legal interest, but not exceeding the applicable limit of liability.

We may apply reasonable standards of proof to claims for such loss.

(This is Exclusion A.8. in Forms HO 00 03 and HO 00 05.)

SECTION I – CONDITIONS

C. Loss Settlement

Paragraph 2.e. is replaced by the following:

In Forms HO 00 02, HO 00 03 and HO 00 05 Paragraph 2.e. is replaced by the following:

e. We must be notified within:

- (1) 24 months after our payment for actual cash value if the loss or damage relates to a state of emergency under California Law; or
- (2) 12 months after our payment for actual cash value in all other cases;

that you intend to repair or replace the damaged property.

In Form HO 00 08, Paragraph 2.a. is replaced by the following:

- a. If you repair or replace the loss to restore the building structure for the same occupancy and use at the same site within:

(1) 24 months of the date of the loss if the loss or damage relates to a state of emergency under California Law; or

(2) 12 months of the date of the loss in all other cases;

we will pay the lesser of the following amounts:

(3) The limit of liability that applies to the damaged or destroyed building structure; or

(4) The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.

E. Appraisal is replaced by the following:

E. Appraisal

If you and we fail to agree on the amount of loss, then, either party may make a written request for an appraisal. In this event, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. Where the request is accepted, the two appraisers will select a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will appraise the loss, stating separately the loss to each item. If they fail to agree, they will submit their differences to the umpire. An award in writing, agreed to by any two, will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

G. Suit Against Us is replaced by the following:

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within one year after the date of loss.

I. Loss Payment is replaced by the following:

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

- a. Reach an agreement with you;
- b. There is an entry of a final judgment; or
- c. There is a filing of an appraisal award with us.

Q. Concealment Or Fraud is replaced by the following:

Q. Concealment Or Fraud

1. With respect to loss caused by fire, we do not provide coverage to the "insured" who has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements; relating to this insurance.

2. With respect to loss caused by a peril other than fire, we provide coverage to no "insureds" under this policy, if whether before or after a loss, an "insured" has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements; relating to this insurance.

(This is Condition P. in Form HO 00 04.)

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraphs 2.b., 2.c., 2.d., and 4. are replaced by the following:

b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason, except as provided below, by letting you know at least 20 days before the date cancellation takes effect.

We may not cancel this policy solely because:

(1) You accepted an offer of earthquake coverage;

(2) Corrosive soil conditions exist on the "residence premises". This Provision (2) applies only if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:

(a) Homeowners 3 – Special Form;

(b) Homeowners 5 – Comprehensive Form;

(c) Special Personal Property Coverage Endorsement;

(d) Unit-Owners Coverage A Endorsement; or

(e) Unit-Owners Coverage C Endorsement; or

(3) You cancelled or did not renew an earthquake policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we may cancel this policy if you have accepted a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

However, in the event of a total loss to the "residence premises", we will not cancel while any structure at that location is being rebuilt except for the reasons stated in Paragraphs 2.a. and 2.c. of this Condition C. Cancellation.

c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may only cancel if there has been:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- (1) Conviction of a crime having as one of its necessary elements an act increasing the hazard insured against; or
- (2) Discovery of fraud or material misrepresentation; by:
 - (a) Any "insured" or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy; or
- (3) Discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
- (4) Physical changes in the property insured against which result in the property becoming uninsurable.
However, we may not cancel this policy solely because:
 - (a) Physical changes occur due to a total loss; or
 - (b) Corrosive soil conditions exist on the "residence premises" if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
 - (i) Homeowners 3 – Special Form;
 - (ii) Homeowners 5 – Comprehensive Form;
 - (iii) Special Personal Property Coverage Endorsement;
 - (iv) Unit-Owners Coverage A Endorsement; or
 - (v) Unit-Owners Coverage C Endorsement; or
- (5) Acceptance of a new or renewal policy, issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

This can be done by notifying you at least 30 days before the date cancellation takes effect.

d. When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 45 days before the date cancellation takes effect.

4. If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 days after we send the cancellation notice to you. If, when you cancel this policy, the return premium is not refunded when this policy is returned to us, we will refund it within 25 days of the date when we receive your notice of cancellation.

D. Nonrenewal is replaced by the following:

D. Nonrenewal

1. We may elect not to renew this policy, subject to the provisions of 2. below. We may do so by delivering to you at your mailing address shown in the Declarations, written notice at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

2. We will not refuse to renew this policy:

- a. Solely because you accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew this policy after you have accepted an offer of earthquake coverage if one or more of the following reasons apply:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

b. Solely because you cancelled or did not renew an earthquake policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge;

c. Solely because corrosive soil conditions exist on the "residence premises". This Provision c. applies only if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:

(1) Homeowners 3 – Special Form;

(2) Homeowners 5 – Comprehensive Form;

(3) Special Personal Property Coverage Endorsement;

(4) Unit-Owners Coverage A Endorsement; or

(5) Unit-Owners Coverage C Endorsement; or

d. Solely on the grounds that a claim is pending under the policy unless such claim is made under coverage for loss caused by an earthquake; or

e. Solely on the basis of an "insured's" age.

3. If this policy is written for a period of less than one year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.

All other provisions of this policy apply.

The following endorsement applies to your policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WORKERS COMPENSATION RESIDENCE
EMPLOYEES – CALIFORNIA
HO 24 90 08 01**

A. Agreement

We agree, with respect to "residence employees":

UNDER COVERAGE I

To pay when due all benefits required of an "insured" by the California Workers' Compensation Law; and

UNDER COVERAGE II

To pay on behalf of an "insured" all damages for which the "insured" is legally liable because of "bodily injury" sustained by a "residence employee". The "bodily injury" must be caused by accident or disease and arise out of and in the course of employment by the "insured" while:

1. In the United States of America, its territories or possessions, or Canada, or

2. Temporarily elsewhere if the "residence employee" is a citizen or resident of the United States or Canada.

Coverage II does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

B. Who Is Covered

A "residence employee" is covered if during the 90 calendar days immediately before the date of injury the employee has:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- a. Actually been engaged in such employment by the "insured" for no less than 52 hours, and
- b. Earned no less than one hundred dollars (\$100) in wages.

C. Application Of Coverage

This insurance applies only to "bodily injury" which occurs during the policy period. If the "bodily injury" is a disease, it must be caused or aggravated by the conditions of the "residence employee's" employment by the "insured".

D. Policy Provisions

This insurance is subject to all the provisions of this endorsement and the following provisions of this policy:

1. Under Sections I and II – Conditions:
 - B. Waiver Or Change Of Policy Provisions
 - C. Cancellation
 - E. Assignment
 - F. Subrogation
2. Under Section II – Conditions:
 - C. Duties After "Occurrence"
 - F. Suit Against Us
3. Under Section II – Liability Coverages, our agreement to defend an "insured" as provided under A. Coverage E – Personal Liability.
4. Under Section II – Additional Coverages:
 - A. Claim Expenses.
 - B. First Aid Expenses.
5. The definitions of "bodily injury", "business", "insured" and "residence employee".

E. Additional Provisions Applicable To Coverage I

The following provisions are applicable to Coverage I:

1. We shall be directly and primarily liable to any "residence employee" of an "insured" entitled to the benefits of the California Workers' Compensation Law.
2. As between the "residence employee" and us, notice to or knowledge of the "occurrence" of the injury on the part of an "insured" will be deemed notice or knowledge on our part.

3. The jurisdiction of an "insured" will, for the purpose of the law imposing liability for compensation, be our jurisdiction.
4. We will be subject to the orders, findings, decisions or awards rendered against an "insured", under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an "insured" and us as to payments by either in discharge or an "insured's" liability for compensation.
5. The "residence employee" has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the "residence employee", we will pay it directly to the "residence employee". Your obligation to the "residence employee" will be discharged to the extent of such payment.

F. Limits Of Liability Coverage II

Our total limit of liability will not exceed \$100,000 for all damages because of "bodily injury":

1. Sustained by one or more "residence employees" in any one accident; or
2. Caused by disease and sustained by a "residence employee".

Our total limit of liability will not exceed \$500,000 for all damages arising out of "bodily injury" by disease regardless of the number of "residence employees" who sustain "bodily injury" by disease.

G. Other Insurance

This insurance does not apply to any loss to which other valid and collectible Workers' Compensation or Employers' Liability Insurance applies.

H. Conformity To Statute

Terms of this insurance which are in conflict with the California Workers' Compensation Law are amended to conform to that law.

I. Exclusions

This policy does not apply:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

1. To liability for additional compensation imposed on an "insured" under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of the serious and willful misconduct of an "insured", or because of "bodily injury" to an employee under 16 years of age and illegally employed at the time of injury;
2. To liability for "bodily injury" arising out of "business" pursuits of an "insured".
3. Under Coverage II:
 - a. To liability assumed by the "insured" under any contract or agreement.
 - b. To "bodily injury" by disease unless a written claim is made or suit brought against the "insured" within 36 months after the end of the policy period.
 - c. To any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.
- c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
- d. The rendering of home day care services to a relative of an "insured".
- B. If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".
- C. If home day care service is not a given "insured's" trade, profession or occupation but is an activity:
 1. That an "insured" engages in for money or other compensation; and
 2. From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;

The following endorsement applies to your policy.

NO SECTION II – LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS

LIMITED SECTION I – PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS HO 04 96 10 00

- A. "Business", as defined in the policy, means:
 1. A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
 2. Any other activity engaged in for money or other compensation, except the following:
 - a. One or more activities:
 - (1) Not described in b. through d. below; and
 - (2) For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;
 - b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
- the home day care service and other activity will be considered a "business".
- D. With respect to C. above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:
 1. Described in A.2. above, and
 2. Engaged in for money by a single "insured";
 may be considered a "business" if the \$2000 threshold is exceeded.
- E. With respect to A. through D. above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:
 1. Does not provide:
 - a. Section II coverages. This is because a "business" of an "insured" is excluded under E.2. of Section II – Exclusions;
 - b. Coverage, under Section I, for other structures from which any "business" is conducted; and
 2. Limits Section I coverage, under Coverage C – Special Limits of Liability, for "business" property.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category h. (e. in Form HO 00 08) imposes that limit on "business" property on the "residence premises";
- b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category i. (f. in Form HO 00 08) imposes that limit on "business" property away from the "residence premises". Category i. does not apply to property described in Categories j. and k. (g. and h. respectively in Form HO 00 08).

The following endorsement applies to your policy.

INFLATION PROTECTION COVERAGE HO 04 46 10 00

An annual inflation factor will be applied to Coverage A, B, C and D, reflecting the increase in building costs for the location of the dwelling.

The following endorsement applies to your policy.

THIS ENDORSEMENT CHANGES THE POLICY. **PLEASE READ IT CAREFULLY.**

ANIMAL LIABILITY – HOIV 1009 03 15

We pay for:

1. Any "bodily injury or "property damage" arising out of any "occurrence" involving any animal owned by, or in the care, custody, or control of the "insured" or any member of the insured's family or household, or
2. Any other loss or exposure arising out of any "occurrence" involving any animal owned by, or in the care, custody, or control of the "insured" or any member of the insured's family or household.

All other provisions of this policy apply.

The following endorsement applies to your policy.

THIS ENDORSEMENT CHANGES THE POLICY. **PLEASE READ IT CAREFULLY.**

HAZARDOUS SUBSTANCE LIABILITY **EXCLUSION** HOIV 1008 02 04

The following EXCLUSION applies to all coverages:

We do not pay for:

1. any "bodily injury" or "property damage" arising out of contact or exposure to "hazardous substances", or
2. any other loss or expense arising out of contact or exposure to "hazardous substances".

Definition: "Hazardous substances" 1) asbestos; 2) benzene; 3) gasoline; 4) any pollutants, toxins, chemical waste, nuclear waste; and 5) any other substance that causes or are alleged to cause injury or harm to a person or damage to property.

All other provisions of this policy apply.

The following endorsement applies to your policy.

CALIFORNIA NEW LOAN CREDIT HOIV 2016 02 04

A premium credit is applicable to the policy to which this endorsement is attached in recognition of the inspection, appraisal and improvements to the property made in connection with the new loan to the named insured.

First and Second Year	5% credit
Third and Subsequent	0

The following endorsement applies to your policy if form number 438BFU NS (5-1-42) appears on the Declarations Page.

LENDER'S LOSS PAYABLE ENDORSEMENT Form 438BFU NS (Rev. May 1, 1942)x

1. Loss or damage, if any, under this policy shall be paid to the **Payee named on the first page of this policy**, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated or suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.

3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty days (120) after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies

held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved:

Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

The following endorsement applies to your policy only if form number 372-NS (11-50) appears on the Declarations Page.

MORTGAGEE CLAUSE
Form number 372-NS (Nov. 1950)

Loss (if any) under this policy, on buildings only, shall be payable to the mortgagee(s), if named as payee(s) on the first page of this policy, as mortgagee(s) under any present or future mortgage upon the property described in and covered by this policy, as interest may appear and in order of precedence of said mortgages.

(A) The terms "Mortgage", "Mortgagee" and "Mortgagor" whenever used in this rider shall be deemed to include deeds of trust and the respective parties thereto. (B) This insurance, as to the interest of the mortgagee only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the described property, nor by the use of the premises for purposes more hazardous than are permitted by the policy. (C) Any mortgagee who shall have or acquire knowledge that the premises are being used for purposes more hazardous than are permitted by this policy, or that the premises have been vacant or unoccupied beyond the period permitted by this policy shall forthwith notify this company thereof and shall cause the consent of the company thereto to be noted on this policy; and in the event of failure so to do, all rights of such mortgagee hereunder shall forthwith terminate. (D) In case the mortgagor or owner shall fail to pay any premium due or to become due under this policy, the mortgagee hereby covenants and agrees to pay the same on demand. The mortgagee also covenants and agrees to pay on demand the premium for any increased hazard for the term of the existence thereof. (E) This company shall not be liable to the mortgagee for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved under policies issued to, held by, or payable to the mortgage, whether collectible or not. (F) The policy provisions relating to "mortgagee interest and obligations" are specifically referred to and made part of this rider.

The following endorsement applies to your policy only if form HOIV 2005 0204 appears on the Declarations Page.

MORTGAGE PAYMENT PROTECTION
ENDORSEMENT
HOIV 2005 0204

If a loss covered under Section I of this policy makes YOUR RESIDENCE uninhabitable as determined by a civil authority for a period in excess of 45 day, WE will pay OUR regular monthly mortgage payment which is secured by a first deed of trust. This

payment will be limited to a maximum of \$1,500 per month and will not include any delinquencies, foreclosure costs or late penalties.

This payment will be made for each 30 day period of Pro-Rata Portion if less than 30 days YOUR RESIDENCE is uninhabitable, EXCLUDING THE FIRST 45 DAY PERIOD.

Payment shall be for the shortest of:

1. The time required to repair or replace the premises, or
2. 90 days, from the date the disaster renders the residential dwelling uninhabitable, unless reconstruction or rebuilding has commenced, or
3. If YOU permanently relocate, the time required for YOUR household to settle elsewhere or
4. for twelve consecutive months.

The company has no liability under this policy unless the following conditions are existent at the time of loss:

1. The named insured has not defaulted in payment for a period exceeding the grace period provided in the encumbrance.
2. The name insured must be a resident of the residential dwelling on the day the disaster renders the residential dwelling uninhabitable.

This period of time is not limited by the expiration date of this Policy.

No deductible shall apply to this coverage.

Payment will be made directly to Mortgagee named in the declarations of this

All other provisions of this policy apply.

The following endorsement applies to your policy only if form number HOIV 2006 06 08 appears on the Declarations Page.

PROTECTION PLUS ENDORSEMENT
HOIV 2006 06 08

For an additional premium and subject to all the provisions of the policy, we agree that the following coverages and extensions of coverages are added to the policy.

SECTION I – PERILS INSURED AGAINST

A. Unscheduled Jewelry, Watches and Furs

We insure against risk of direct loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones only if that loss is a physical loss to property; however, we do not insure loss:

1. excluded under Section I – Exclusions.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

2. Caused by:

- a. (1) wear and tear, marring, deterioration;
(2) inherent vice, latent defect, mechanical breakdown;
(3) smog, rust or other corrosion, fungus, mold, wet or dry rot, bacteria;
(4) smoke from agricultural smudging or industrial operations;
(5) discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.
Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
(6) settling, shrinking, bulging or expansion, including resultant cracking of pavements or patios, foundations, walls, floors, roofs or ceilings;
(7) birds, vermin, rodents, or insects; or
(8) animals owned or kept by an insured.
- b. dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;
- c. destruction, confiscation or seizure by order of any government or public authority;
- d. acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones not excluded or excepted in this policy is covered.

other than bank notes, manuscripts, personal records, passports, tickets and stamps. The dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$2,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$2,500 on trailers or semitrailers not used with water-craft of all types.
- e. \$3,000 for loss by theft, misplacing or losing of jewelry, watches, furs, precious and semi-precious stones.
- f. \$4,000 for loss by theft of firearms and related equipment.
- g. \$5,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollow-ware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$5,000 on property, on the residence premises, used primarily for business purposes.
- i. \$500 on property, away from the residence premises, used primarily for business purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a motor vehicle, but only if the apparatus is equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.
- k. \$1,500 on electronic apparatus and accessories used primarily for business while away from the residence premises and not in or upon a motor vehicle. The apparatus must be equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.

SECTION I PROPERTY COVERAGE

B. Coverage C – Personal Property

The Special Limits of Liability provisions are replaced by the following:

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

- a. \$500 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$3,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

- l. \$10,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones and silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware while on the premises of any bank, trust company, safe deposit company or cold storage warehouse in which the property has been placed for safekeeping.

C. Coverage D – Loss of Use

Coverage is changed as follows:

1. **Additional Living Expense.** The following paragraph is added:
If a power outage caused by a Peril Insured Against makes the **residence premises** uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living. Payment shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, the shortest time required for your household to settle elsewhere. This period of time is limited to seven days. Coverage begins when the **residence premises** has been uninhabitable for 48 consecutive hours.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

2. **Fair Rental Value.** The following paragraph is added:
If a power outage caused by a Peril Insured Against makes that part of the **residence premises** rented to others or held for rental by you uninhabitable, we cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental. This period of time is limited to seven days. Coverage begins when that part of the **residence premises** has been uninhabitable for 48 consecutive hours. Fair rental value shall not include any expense that does not continue while that part of the **residence premises** rented to or held for rental in uninhabitable.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

3. **Prohibited Use.** The following paragraph is added:
If a civil authority prohibits you from use of the **residence premises**, we cover any

resulting Additional Living Expense and Fair Rental Value for a period not exceeding one week during which use is prohibited. Coverage begins after use has been prohibited 48 consecutive hours.

D. Additional Coverages

The following items are amended as indicated:

1. Debris Removal

Debris Removal provisions are replaced by the following:

We will pay your reasonable expense for the removal of:

1. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
2. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$1,000, for the removal from the **residence premises** of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree. This coverage is additional insurance.

4. Fire Department Service Charge.

Fire Department Service Charge provisions are replaced by the following:

We will pay up to \$750 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against.

This coverage is additional insurance. No deductible applies to this coverage.

6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.

The amount we will pay is increased from \$500 to \$3,000.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

The following Additional Coverages are added:

13. Refrigerated Products Coverage.

We will pay up to \$500 toward losses to the contents of deep freeze or refrigerator units provided that the loss occurs on the **residence premises**; is caused by power interruption or mechanical failure; and is not under the control of the **insured**. When you know about a loss to which this coverage may apply, you must use all reasonable means to protect the refrigerated products from further damage. If you do not, this coverage will not apply to the loss. This coverage is additional insurance. No deductible applies to this coverage.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

14. Personal Property Coverage Extension.

We will pay up to \$2,000 for damage to your personal property occurring while it is away from your **residence premises** caused by:

- a. flood (meaning rising water);
- b. earthquake;
- c. landslide; or
- d. collision or overturn of the conveyance in which your property is carried.

SECTION I EXCLUSIONS – A.2. Earth Movement and A.3. Water Damage do not apply to this **Additional Coverage**.

15. Lock Replacement Coverage.

We will pay up to \$250 for locks or cylinders which are replaced as a direct result of stolen keys. We and the police must be promptly notified of the theft. The locks must be replaced within 72 hours after the keys are stolen. Keys are those to buildings and structures at the **residence premises**. We do not cover locks used with any vehicle, watercraft, or aircraft. Keys given to custodian are not considered stolen. We will pay the amount spent to repair or replace the locks or cylinders with ones of like kind and quality.

This coverage is additional insurance. No deductible applied to this coverage.

SECTION II – LIABILITY COVERAGE

E. INCREASED SECTION II COVERAGE

The limit of liability for **Coverage E – Personal Liability** shown on the Declarations page is increased by \$100,000 not to exceed the occurrence limit of \$1,000,000.

The limit of liability for **Coverage F – Medical Payments to Others** shown on the Declarations page is increased by \$1,000.

F. PERSONAL INJURY COVERAGE

Under **Section II Liability Coverages – Coverage E Personal Liability**, the definition of **bodily injury** is amended to include **personal injury**.

“**Personal injury**” means injury arising out of one or more of the following offenses:

1. false arrest, detention or imprisonment, or malicious prosecution;
2. libel, slander or defamation of character; or
3. invasion of privacy wrongful eviction or wrongful entry.

Section II Exclusions do not apply to personal injury. **Personal injury** insurance does not apply to:

1. liability assumed by the **insured** under any contract or agreement except any indemnity obligation assumed by the **insured** under a written contract directly relating to the ownership, maintenance or use of the premises;
2. injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any **insured**;
3. injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the **insured**;
4. injury arising out of the **business** pursuits of any **insured**; or
5. civic or public activities performed for by an **insured**.

Our limit of liability for this coverage will be the same that applies to Coverage E Personal Liability.

SECTION II LIABILITY EXCLUSIONS

G. OUTBOARD MOTOR EXTENSION OF COVERAGE

Under **Section II – Exclusions**, the description of watercraft to which the exclusion does not apply is deleted and replaced by the following. Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an **insured**. This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less.
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- an insured;
- (c) One or more outboard engines or motors with 50 total horsepower or less;
 - (d) One or more outboard engines or motors with more than 50 total horsepower if the outboard engine or motor is not owned by an insured;
 - (e) Outboard engines or motors of more than 50 total horsepower owned by an insured if:
 - (i) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - (ii) You acquire them during the policy period.
- This coverage applies for the policy period.
- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned by or rented to an insured;
 - (3) That are stored.

H. PROPERTY DAMAGE TO PROPERTY OCCUPIED OR USED BY OR IN THE CARE OF THE INSURED

Under Section II – Exclusions, Exclusion F – Coverage E – Personal Liability, Subparagraph 3. is deleted and replaced by:

- 3. **Property Damage** to property occupied or used by or in the care of insured. This exclusion does not apply to **property damage** caused by fire, smoke, explosion or accidental discharge or overflow of water or steam from within household appliance or from rain or snow. If the property is in the **residence premises** and such damage is a result of the direct force of wind or hail to the building which caused an opening in a roof or wall and the rain or snow enters through this opening, then coverage does not apply.

All other provisions of this policy apply.

The following endorsement applies to your policy only if form number HOIV 2007 06 08 appears on the Declarations Page.

PROTECTION PLUS SUPERIOR ENDORSEMENT HOIV 2007 06 08

For an additional premium and subject to all the provisions of the policy, we agree that the following coverages and extensions of coverages are added to

the policy.

SECTION I – PERILS INSURED AGAINST

A. Unscheduled Jewelry, Watches and Furs

We insure against risk of direct loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones only if that loss is a physical loss to property; however, we do not insure loss:

1. excluded under Section I – Exclusions.
 2. Caused by:
 - a. (1) Wear and tear, marring, deterioration;
 - (2) inherent vice, latent defect, mechanical breakdown;
 2. smog, rust or other corrosion, fungus, mold, wet or dry rot, bacteria;
 3. smoke from agricultural smudging or industrial operations;
 4. discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.
- Waste included materials to be recycled, reconditioned or reclaimed;
5. settling, shrinking, bulging or expansion, including resultant cracking of pavements or patios; foundations, walls, floors, roofs or ceilings;
 6. birds, vermin, rodent or insects; or
 7. animals owned or kept by an insured.
- b. dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;
 - c. destruction, confiscation or seizure by order of any authority;
 - d. acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones not excluded or excepted in this policy is covered.

SECTION I – PROPERTY COVERAGE

B. Coverage C – Personal Property

The Special Limits of Liability provisions are replaced by the following:

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

the total limit for each loss for all property in that category.

a. \$500 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.

b. \$5,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. The dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

c. \$2,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.

d. \$2,500 on trailers or semitrailers not used with water-craft of all types.

e. \$5,000 for loss by theft, misplacing or losing of jewelry, watches, furs, precious and semi-precious stones.

f. \$5,000 for loss by theft of firearms and related equipment.

g. \$10,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

h. \$5,000 on property, on the **residence premises**, used primarily for business purposes.

i. \$1,000 on property, away from the **residence premises**, used primarily for business purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below..

j. \$1,500 on electronic apparatus and accessories, while in or upon a motor vehicle, but only if the apparatus is equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be

used with any apparatus described in this Category j.

k. \$1,500 on electronic apparatus and accessories used primarily for business while away from the **residence premises** and not in or upon a motor vehicle. The apparatus must be equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

12. \$50,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones and silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware while on the premises of any bank, trust company, safe deposit company or cold storage warehouse in which the property has been placed for safekeeping.

C. Coverage D – Loss of Use

Coverage is changed as follows:

1. **Additional Living Expense.** The following paragraph is added:

If a power outage caused by a Peril Insured Against makes the **residence premises** uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living. Payment shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, the shortest time required for your household to settle elsewhere. This period of time is limited to seven days. Coverage begins when the **residence premises** has been uninhabitable for 48 consecutive hours.

SECTION 1 EXCLUSION A.4. Power Failure does not apply to this coverage.

2. **Fair Rental Value.** The following paragraph is added:

If a power outage is caused by a Peril Insured Against makes that part of the **residence premises** rented to others or held for rental by you uninhabitable, we cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental. This period of time is limited to seven days. Coverage begins when that part of the **residence premises** has been uninhabitable for 48 consecutive hours. Fair rental value

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

shall not include any expense that does not continue while that part of the **residence premises** rented to or held for rental is uninhabitable.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

3. **Prohibited Use.** The following paragraph is added:
If a civil authority prohibits you from use of the **residence premises**, we cover any resulting Additional Living Expense and Fair Rental Value for a period not exceeding one week during which use is prohibited. Coverage begins after use has been prohibited 48 consecutive hours.

D. Additional Coverages

The following items are amended as indicated:

1. Debris Removal

Debris Removal provisions are replaced by the following:

We will pay your reasonable expense for removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$1,000 for the removal from the **residence premises** of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree. This coverage is additional insurance.

4. Fire Department Service Charge.

Fire Department Service Charge provisions are replaced by the following:

We will pay up to \$750 for your liability

assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against.

This coverage is additional insurance. No deductible applies to this coverage.

6. Credit Card Fund Transfer Card, Forgery and Counterfeit Money.

The amount we will pay is increased from \$500 to \$3,000.

The following Additional Coverages are added:

12. Refrigerated Products Coverage.

We will pay up to \$500 toward losses to the contents of deep freeze or refrigerator units provided that the loss occurs on the **residence premises**; is caused by power interruption or mechanical failure; and is not under the control of the **insured**.

When you know about a loss to which this coverage may apply, you must use all reasonable means to protect the refrigerated products from further damage. If you do not, this coverage will not apply to the loss.

This coverage is additional insurance. No deductible applied to this coverage.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

13. Personal Property Coverage Extension.

We will pay up to \$2,000 for damage to your personal property occurring while it is away from your **residence premises** caused by:

- e. flood (meaning rising water);
- f. earthquake;
- g. landslide; or
- h. collision or overturn of the conveyance in which your property is carried.

SECTION I EXCLUSIONS – A.2. Earth Movement and 1.c. Water Damage do not apply to this Additional Coverage.

14. Lock Replacement Coverage.

We will pay up to \$250 for locks or cylinders which are replaced as a direct result of stolen keys. We and the police must be promptly notified of the theft. The locks must be replaced within 72 hours after the keys are stolen. Keys are those to buildings and structures at the **residence premises**. We do not cover locks used with any vehicle, watercraft or aircraft. Keys given to a

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

custodian are not considered stolen. We will pay the amount spent to repair or replace the locks or cylinders with ones of like kind and quality.

This coverage is additional insurance. No deductible applies to this coverage.

SECTION II – LIABILITY COVERAGE

E. INCREASED SECTION II COVERAGE

The limit of liability for **Coverage E – Personal Liability** shown on the Declarations page is increased by \$100,000 not to exceed the occurrence limit of \$1,000,000.

The limit of liability for **Coverage F – Medical Payments to Others** shown on the Declarations page is increased by \$1,000.

F. PERSONAL INJURY COVERAGE

Under **Section II Liability Coverages – Coverage E Personal Liability**, the definition of bodily injury is amended to include **personal injury**.

"Personal injury" means injury arising out of one or more of the following offenses:

- (a) False arrest, detention or imprisonment, or malicious prosecution;
- (b) Libel, slander or defamation of character; or
- (c) Invasion of privacy, wrongful eviction or wrongful entry.

Section II Exclusions do not apply to personal injury. **Personal injury** insurance does not apply to:

- a. Liability assumed by the insured under any contract or agreement except any indemnity obligation assumed by the insured under a written contract directly relating to the ownership, maintenance or use of the premises;
- b. Injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any **insured**;
- c. Injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the **insured**;
- d. Injury arising out of the **business** pursuits of any **insured**; or
- e. Civic or public activities performed for by an **insured**.

Our limit of liability for this coverage will be the same that applies to Coverage E Personal Liability.

SECTION II LIABILITY EXCLUSIONS

G. OUTBOARD MOTOR EXTENSION OF COVERAGE

Under **Section II – Exclusions**, the description of watercraft to which the exclusion does not apply is deleted and replaced by the following:

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an **insured**. This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less.
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an **insured**;
 - (c) One or more outboard engines or motors with 50 total horsepower or less;
 - (d) One or more outboard engines or motors with more than 50 total horsepower if the outboard engine or motor is not owned by an **insured**;
 - (e) Outboard engines or motors of more than 50 total horsepower owned by an **insured** if:
 - (i) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - (ii) You acquire them during the policy period.

This coverage applies for the policy period.

- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned or rented to an **insured**;
- (3) That are stored.

H. PROPERTY DAMAGE TO PROPERTY OCCUPIED OR USED BY OR IN THE CARE OF INSURED

Under **Section II – Exclusions, Exclusion F. – Coverage E – Personal Liability**, Subparagraph 3. is deleted and replaced by:

- 3. **Property Damage** to property occupied or used by or in the care of the **insured**. This exclusion does not apply to **property damage** caused by fire, smoke, explosion or

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

accidental discharge or overflow of water or steam from within household appliance or from rain or snow. If the property is in the **residence premises** and such damage is a result of the direct force of wind or hail to the building which caused an opening in a roof or wall and the rain or snow enters through this opening, then coverage does apply.

All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2008 02 04 appears on the Declarations Page.

**EXTENDED REPLACEMENT COST
ENDORSEMENT
HOIV 2008 02 04**

If you agree, as part of this Replacement Cost option, to:

- A. Insure the dwelling to 100% of its full replacement cost and permit us to re-calculate the replacement cost on a periodic basis;
- B. Maintain coverage on the dwelling at 100% of its full replacement cost by paying renewal premiums computed to reflect the then current replacement cost. The current replacement cost of the dwelling will be based on residential construction cost index provided to us by a major appraisal company;
- C. Report to us, within 60 days, any improvements to the dwelling. If you do not, and the full replacement cost of these improvements exceeds \$5,000 or 5% of the Coverage A limit shown on the Declarations page, whichever is greater, then the limit shown on the Declarations page will again become the maximum limit we will pay;
- D. Elect to repair or replace the damaged dwelling;

We agree that the limits of liability shown on the Declarations page are modified as follows:

A. Coverage A – Dwelling

We will increase the Coverage A limit of liability to equal the current replacement cost of the dwelling up to 150% of the Coverage A limit if the amount of loss to the dwelling is more than the limit of liability shown on the Declarations page.

The Coverage A limit shown on the Declarations page will be used to determine your premium only, except as otherwise stated in this endorsement.

B. Coverage B – Other Structures

When the amount of loss to Coverage A – Dwelling is more than the limit of liability shown on the Declarations page, we will also increase the limits of liability for Coverage B, by the same percentage as applied to Coverage A.

- C. If you comply with the provisions of this endorsement and there is a loss to the dwelling insured Under Coverage A, Section I – Conditions, Conditions 3. Loss Settlement paragraph b. will not apply to Coverage A – Dwelling. It is replaced by paragraphs b., c., d., and e. as follows:

- b. The Dwelling under Coverage A at replacement cost without deduction for depreciation. We will pay the lesser of the following amounts for equivalent construction and use on the same premises:
 - (1) The replacement cost of the dwelling or any parts of it; or
 - (2) The amount actually spent to repair or replace the dwelling or any parts of it; or
 - (3) 150% of the limit of liability for Coverage A.
- c. When the cost to repair or replace the damage is more than \$2,500 or more than 5% of the amount of insurance in this policy on the dwelling, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
- d. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to the dwelling on an actual cash value basis and then make claim within 180 days after loss for additional liability on a replacement cost basis.
- e. Payment under this endorsement will not include any increased costs due to the enforcement of any ordinance or law.

This endorsement is void if you fail to comply with its provisions. All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2009 02 04 appears on the Declarations Page.

**FREEWAY ACCIDENTAL DEATH BENEFIT
HOIV 2009 02 04**

For an additional premium we will pay to the estate of the insured a Freeway Accidental Death Benefit of \$25,000 upon receipt of timely proof that:

- 1. The death of the insured was caused directly

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

and independently of all other causes from the **bodily injury** resulting solely from external, violent and accidental means while the **insured** was in a moving motor vehicle while on a freeway in the State of California.

2. The death occurred within 90 days after said **bodily injury** was suffered and before the termination of this endorsement.

EXCLUSIONS

The Freeway Accidental Death Benefit will not be payable if the injury or death resulted directly or indirectly from:

1. Suicide or attempted suicide while sane or insane;
2. Behavior contrary to medical advice;
3. Riding on or driving a motorcycle;
4. Engaging in an illegal occupation; or commission of a felony;
5. War or insurrection, declared or undeclared;
6. Service in the armed forces of any country;
7. The **insured's** being intoxicated or under the influence of alcohol, any drug, sedative or narcotic, voluntarily or involuntarily;
8. Participating in any speed contest;
9. Injury for which benefits are payable pursuant to other insurance coverage, workers' compensation or other employment benefits plan.

DEFINITIONS

When used in this endorsement, the following definitions apply:

1. "**Freeway**" is used as defined in California Vehicle Code section 332.
2. "**Insured**" means the principal named insured on the Declarations page and spouse, provided, however, that only one death benefit shall be payable under this endorsement.

This endorsement shall become a part of the Policy to which it is attached.

All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2010 02 04 appears on the Declarations Page.

HOMEOWNERS – REPLACEMENT COST ENDORSEMENT – PERSONAL PROPERTY HOIV 2010 02 04

1. We will settle losses to covered property of the following types:
 - a. personal property;

- b. carpeting;
 - c. domestic appliances;
 - d. awnings;
 - e. outdoor equipment and
 - f. outdoor antennas;
- whether or not attached to buildings at full replacement cost without deduction for depreciation subject to paragraph 3.

2. The following articles or classes of property separately described and specifically insured in this policy will also be settled in the same manner:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles or equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, or smoking implements; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost Coverage will not apply to other classes of property separately described and specifically insured.

3. The following loss settlement procedure applies to all property insured under this endorsement:

We will pay not more than the smallest of the following amounts:

- a. The amount necessarily spent to:
 - (1) Replace the property; or
 - (2) Repair the property; or
- b. Any applicable limit of liability stated in this policy including:
 - (1) The limit of liability applying to Coverage C; and
 - (2) Any special limit of liability; and
 - (3) For loss to any item separately described and specifically insured in this policy the limit of liability applies to that item.

4. We will not settle losses as provided in this endorsement if:

- a. The loss is to any of the following types of property:
 - (1) Property made obsolete or unusable for its originally intended purpose by its:
 - (a) age; or
 - (b) condition;
 - (2) Property which cannot be replaced because of its sentimental value;
 - (3) Property valuable because of its rarity or artistic merit, such as; paintings, etchings, pictures, tapestries, art glass

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- windows, valuable rugs; statuary; marbles; bronzes; antique furniture; rare books; antique silver; manuscripts; porcelains; rare glass; bric-a-brac;
- (4) Property valuable because of its age or history, such as; memorabilia; souvenirs; or collector's items.

- b. Actual repair or replacement is not completed.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HOIV 2011 02 04 appears on the Declarations Page.

**PROTECTION DEVICE OR SECURITY MEASURES
HOIV 2011 02 04**

For a premium credit, we acknowledge the existence of a fire protection or alarm system, automatic sprinkler system or other security measure approved by us on the "residence premises". You agree to maintain this system, device or security measure and to notify us promptly if any change is made to it or if the system, device or security measure is removed or discontinued.

The following endorsement applies to your policy only if the form number HO 04 48 10 00 appears on the Declarations Page.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

**OTHER STRUCTURES ON THE RESIDENCE
PREMISES - Increased Limits
HO 04 48 10 00**

We cover each structure that is:

1. On the "residence premises"; and
2. Described in the Declarations Page;

for the additional limit of liability shown for that structure.

The limit shown is in addition to the Coverage B limit of liability.

Each additional limit of liability shown applies only to that described structure.

All other provisions of this policy apply.

Description of Structure	Additional Limit of Liability
See Declarations	See Declarations

The following endorsement applies to your policy only if the form number HO 04 61 10 00 appears on the Declarations Page.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

**SCHEDULED PERSONAL PROPERTY
ENDORSEMENT
HO 04 61 10 00**

For an additional premium, we cover the classes of personal property indicated by an amount of insurance. This coverage is subject to the DEFINITIONS, SECTION I - CONDITIONS, SECTIONS I AND II - CONDITIONS and all provisions of this endorsement. The Section I deductible as shown on the Declarations Page does not apply to this coverage. The Amount of Insurance and Premium are shown on the attached SCHEDULE OF PERSONAL PROPERTY.

Class of Personal Property	
1.	Jewelry, as scheduled.
2.	Furs and garments trimmed with fur or consisting principally of fur, as scheduled.
3.	Cameras, projection machines, films and related articles of equipment, as listed.
4.	Musical instruments and related articles of equipment, as listed. You agree not to perform with these instruments for pay unless specifically provided under this policy.
5.	Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry.
6.	Golfer's equipment meaning golf clubs, golf clothing and golf equipment.
7.a.	Fine Arts, as scheduled. This premium is based on your statement that the property insured is located at the address indicated on the SCHEDULE OF PERSONAL PROPERTY.
7.b.	For an additional premium, paragraph 5.b. under Perils Insured Against is deleted only for the articles so indicated in the SCHEDULE OF PERSONAL PROPERTY
8.	Postage Stamps
9.	Rare and Current Coins

THE AMOUNTS SHOWN FOR EACH ITEM IN THE SCHEDULE ARE LIMITED BY CONDITION 2. LOSS SETTLEMENT BELOW.

NEWLY ACQUIRED PROPERTY - Jewelry, Furs, Cameras and Musical Instruments Only

We cover newly acquired property of a class of property already insured. The lesser of the following limits applies:

1. 25% of the amount of insurance for that class of property; or
2. \$10,000.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

When you acquire new property you must:

1. Report these objects to us within 30 days; and
2. Pay the additional premium from the date acquired.

NEWLY ACQUIRED FINE ARTS

When Fine Arts are scheduled, we cover objects of art acquired during the policy period for their actual cash value. However, we will pay no more than 25% of the amount of insurance for fine arts scheduled. For coverage to apply for newly acquired fine arts you must:

1. Report these objects to us within 90 days; and
2. Pay the additional premium from the date acquired.

PERILS INSURED AGAINST

We insure against risks of direct loss to property described only if that loss is a physical loss to property; however, we do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration or inherent vice.
2. Insects or vermin.
3. War, including the following and any consequence of any of the following:
 - a. Undeclared war, civil war, insurrection, rebellion or revolution;
 - b. Warlike act by a military force or military personnel; or
 - c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

4. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of Section I – Conditions.
5. If Fine Arts are covered:
 - a. Repairing, restoration or retouching process;
 - b. Breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. We cover loss by breakage if caused by:
 - (1) Fire or lightning;
 - (2) Explosion, aircraft or collision;
 - (3) Windstorm, earthquake or flood;
 - (4) Malicious damage or theft;
 - (5) Derailment or overturn of a conveyance.

We do not insure loss, from any cause, to property on exhibition at fair grounds or premises of national or international expositions unless the premises are covered by this policy.

6. If Postage Stamps or Rare and Current Coins collections are covered:
 - a. Fading, creasing, denting, scratching, tearing or thinning;
 - b. Transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation;
 - c. Being handled or worked on;

- d. The disappearance of individual stamps, coins or other articles unless the item is:
 - (1) Described and scheduled with a specific amount of insurance; or
 - (2) Mounted in a volume and the page it is attached to is also lost;
- e. Shipping by mail other than registered mail; or

However, we do not insure loss, from any cause, to property in the custody of transportation companies or not part of a stamp or coin collection.

TERRITORIAL LIMITS

We cover the property described worldwide.

SPECIAL PROVISIONS

1. Fine Arts: You agree that the covered property will be handled by competent packers.
2. Golfer's Equipment includes your other clothing while contained in a locker when you are playing golf. We cover golf balls for loss by fire or burglary provided there are visible marks of forcible entry into the building, room or locker.
3. Postage Stamps includes the following owned by or in the custody or control of the insured:
 - a. Due, envelope, official, revenue, match and medicine stamps;
 - b. Covers, locals, reprints, essays, proofs and other philatelic property; or
 - c. Books, pages and mounting of items in a. and b.
4. Rare and Current Coins includes the following owned by or in custody or control of the insured:
 - a. Medals, paper money, bank notes;
 - b. Tokens of money and other numismatic property; or
 - c. Coin albums, containers, frames, cards and display cabinets in use with such collection.

CONDITIONS

1. Loss Clause: The amount of insurance under this endorsement will not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.
2. Loss Settlement: Covered property losses are settled as follows:
 - a. Fine Arts
 - (1) We will pay the full amount shown for each scheduled article which is agreed to be the value of that article or property. At our request, you will surrender that article or property to us if not lost or stolen.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

(2) If the scheduled article or property is a pair or set, or consists of several parts when complete, we will pay the full amount shown in the Schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.

(3) In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.

(4) We will, at your request, sell back to you, at a price you and we agree upon, any class of property or scheduled article you surrendered to us to comply with the terms in (1), (2) or (3) above.

- b. Postage Stamps or Rare and Current Coin Collection – in case of loss to any scheduled item, the amount to be paid will be determined in accordance with paragraph 2.c. Other Property.

When coins or stamps are covered on a blanket basis, we will pay the cash market value at time of loss but not more than \$1,000 on any unscheduled coin collection nor more than \$250 for any one stamp, coin or individual article or any one pair, strip, block, series sheet, cover, frame or card.

We will not pay a greater proportion of any loss on blanket property than the amount insured on blanket property bears to the cash market value at time of loss.

- c. Other Property – the value of the property insured is not agreed upon but will be ascertained at the time of loss or damage. We will not pay more than the least of the following amounts:

- (1) The actual cash value of the property at the time of loss or damage;
- (2) The amount for which the property could reasonably be expected to be repaired to its condition immediately prior to loss;
- (3) The amount for which the article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or
- (4) The amount of insurance.

3. Pair, set or parts other than fine arts:

- a. Loss to a pair or set.

In case of a loss to a pair or set we may elect to:

- (1) Repair or replace any part to restore the pair or set to its value before the loss; or
- (2) Pay the difference between actual cash value of the property as before and after the loss.

- b. Parts

In case of a loss to any part of covered property, consisting of several parts when complete, we will pay for the value of the part lost or damaged.

The following endorsement applies to your policy only if the form number HOIV 2013 02 04 appears on the Declarations Page.

**PERSONAL COMPUTER COVERAGE
ENDORSEMENT
HOIV 2013 02 04**

AGREEMENT

For an additional premium, we agree to provide the insurance described in this attachment. This agreement applies only to loss to **property insured** which occurs during the period shown on the Declarations page. No deductible applies to this coverage.

DEFINITIONS

You, your and yours means the named insured shown on the declarations page and the spouse if a resident of the same household. **We, us** and our mean the company providing this insurance. In addition, certain words and phrases (printed in boldface) are defined terms.

1. **Computer Program** – means **data** in the form of instructions used to direct electronic data processing equipment to perform a task.
2. **Computer System** – means electronic data processing equipment; including its components. However, **computer system** does not include **computer programs**, other **data**, or **media**.
3. **Data** – means facts, concepts, or instructions that are recorded on media.
4. **Media** – means the material on which **data** is recorded, such as magnetic tapes, disc packs, floppy discs, or compact discs.
5. **Occurrence** – means a loss to **property insured** caused by one or more perils we insure against.

PROPERTY INSURED

We cover each of the following for the limit of liability which is shown in each category.

1. A **Computer System** valued at no more than \$10,000.
2. **Computer Programs** and **media** purchased from a commercial source valued at no more than \$10,000.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

3. **Data Recreation** valued at no more than \$2,000.

Worldwide Coverage insurance provided by this attached applies to loss which occurs anywhere in the world.

Perils Insured Against: We will pay for direct and accidental loss or damage to **property insured** from any peril not excluded under **Exclusions – Losses Not Covered**.

Exclusions – Losses Not Covered: This attachment does not insure against loss, damage or expense caused directly or indirectly by:

1. War
2. Nuclear Hazard
3. **Misplacing or losing property.** However, we do cover property which disappears from a know location when there is a reasonable presumption of theft
4. Static electricity, magnetic force, dust, sunlight, error or mishandling which damages data.
5. Dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail.
6. Wear and tear, vermin, deterioration, corrosion, or rust.
7. Any electric power supply other than 100-120 volt, 60 cycle alternating current
8. Any change in electric power supply (such as power surge, interruption or brown-out)
9. Error, omission or deficiency in design, specifications, materials or workmanship.

See Declarations page for details of **Property Insured**, Amount of Insurance and Premiums.

The following endorsement applies to your policy only if the form number HO 24 70 10 00 appears on the Declarations Page.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL RESIDENCE RENTED TO OTHERS
1, 2, 3 or 4 Families
HO 24 70 10 00

SECTION II

For an additional premium, under Coverage E – Personal Liability and Coverage F – Medical Payments to Others, the premises location and number of families listed on the Declarations Page are included in the definition of "insured location".

With respect to the premises listed on the Declaration Page, Exclusion 1.c. under Section II Exclusions – Coverage E – Personal Liability and Coverage F – Medical Payments to Others, does not apply.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 41 10 00 appears on the Declarations Page.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED
Residence Premises
HO 04 41 10 00

Name and Address of Person or Organization (See Declarations)

Interest (See Declarations).

Definition 5. which defines "insured" is extended to include the person or organization named above, but only with respect to:

SECTION I

Coverage A – Dwelling and Coverage B – Other Structures; and

SECTION II

Coverage E – Personal Liability and Coverage F – Medical Payments to Others but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises".

This coverage does not apply to "bodily injury" to an "employee", "residence employee" or a temporary employee furnished to the "insured" to substitute for a permanent "residence employee" arising out of or in the course of the employee's employment by the person or organization.

If we decide to cancel or not to renew this policy, the party named above will be notified in writing.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 40 10 00 appears on the Declarations Page.

STRUCTURES RENTED TO OTHERS -
RESIDENCE PREMISES
HO 04 40 10 00

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

For an additional premium, we cover the structures described in the Schedule below which are:

1. On the "residence premises";
2. Rented or held for rental to any person not a tenant of the dwelling;
3. Used as a private residence.

SECTION I

We insure for direct physical loss to these structures caused by a Perils Insured Against for the limit of liability shown in the Schedule below that applies to the structure sustaining the loss.

Identification of Structures:	Limit of Liability:
See Declarations	See Declarations

SECTION II

Under Coverage E – Personal Liability and Coverage F – Medical Payments to Others, the structures listed above are included in the definition of "insured location".

With respect to the structures listed above, Exclusion E.2. under Section II Exclusions – Coverage E – Personal Liability and Coverage F – Medical Payments to Others does not apply.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 24 82 10 00 appears on the Declarations Page.

PERSONAL INJURY
HO 24 82 10 00

DEFINITIONS

The following definitions are added:

"Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral or written publication of material that violates a person's right of privacy.

"Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

However, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

SECTION II – LIABILITY COVERAGES**A. Coverage E – Personal Liability**

The following is added to Coverage E – Personal Liability:

Personal Injury Coverage

If a claim is made or suit is brought against an "insured" for damages resulting from an offense, defined under "personal injury", to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the offense has been exhausted by payment of a judgment or settlement.

SECTION II – EXCLUSIONS

With respect to the coverage provided by this endorsement, **Section II – Exclusions** is deleted and replaced by the following:

This insurance does not apply to:

1. "Personal Injury":
 - a. Caused by or at the direction of an "insured" with the knowledge that the act would violate the rights of another and would inflict "personal injury";
 - b. Arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
 - c. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - d. Arising out of a criminal act committed by or at the direction of an "insured";
 - e. Arising out of liability assumed by an "insured" under any contract or agreement except any indemnity obligation assumed by an "insured" under a written contract directly relating to the ownership maintenance or use of the premises;

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

f. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";

g. Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured". This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

This exclusion does not apply to:

(1) The rental or holding for rental of an "insured location";

(a) On an occasional basis if used only as a residence;

(b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(c) In part, as an office, school, studio or private garage; and

(2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

h. Arising out of civic or public activities performed for pay by an "insured";

i. To you or an "insured" as defined under Definition 5.a. or b.;

This exclusion also applies to any claim made or suit brought against you or an "insured":

(1) To repay; or

(2) Share damages with; or

Another person who may be obligated to pay damages because of "personal injury" to an "insured"; or

j. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

k. Arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria.

2. Any loss, cost or expense arising out of any:

a. Request, demand or order that an "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants, "fungi", wet or dry rot, or bacteria; or

b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, clean up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants, "fungi", wet or dry rot, or bacteria.

SECTION II – ADDITIONAL COVERAGES

With respect to the coverage provided by this endorsement, Paragraph D. **Loss Assessment** is deleted and replaced by the following:

D. Loss Assessment

We will pay up to \$1000 for your share of loss assessment charged against you, as an owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of "personal injury" not excluded under this endorsement.

We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of "personal injury".

SECTION II – CONDITIONS

With respect to the coverage provided by this endorsement, Section II – Condition I. Policy Period does not apply and Conditions A. **Limit Of Liability**, B. **Severability Of Insurance** and C. **Duties After "Occurrence"** are deleted and replaced by the following:

A. Limit Of Liability

Our total liability under "Personal Injury" Coverage for all damages resulting from any one offense will not be more than the limit of liability shown in the Declarations for Coverage E. This limit is the same regardless of the number of "insureds", claims made or suits brought.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one offense.

C. Duties After Offense

In the event of a covered offense, you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and "named insured";
 - b. Reasonably available information on the time, place and circumstances of the offense; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the offense;
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "personal injury".

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 42 10 00 appears on the Declarations Page.

PERMITTED INCIDENTAL OCCUPANCIES - RESIDENCE PREMISES HO 04 42 10 00

For an additional premium, we cover the following "business":

See Declarations for description

Conducted by an "insured" on the "residence premises" in:

See Declarations for description

SECTION I - PROPERTY COVERAGES

1. Coverage **B** - Other Structures (or coverage for other structures under Form HO 00 06) does not apply to the other structure described above.

We cover the other structure described above for direct physical loss by a Peril Insured Against for not more than:

Limit of Liability \$ *See Declarations for amount*

2. Coverage **C** - Personal Property, Special Limit of Liability 3.h. is deleted and replaced by the following:

h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes, other than furnishings, supplies and equipment of the "business" described above

The Coverage **C** limit of liability applies to property of the "business" described above.

SECTION II - EXCLUSIONS

1. Exclusion E.2. "Business" does not apply to the necessary or incidental use of the "residence premises" to conduct the "business" described above.
2. Coverage **E** - Personal Liability and Coverage **F** - Medical Payments To Others do not apply to "bodily injury" to any "employee" arising out of the "business" described above.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 24 71 10 00 appears on the Declarations Page.

BUSINESS PURSUITS HO 24 71 10 00

SECTION II

For an additional premium, Coverage **E** - Personal Liability and Coverage **F** - Medical Payments to Others apply to the "business" pursuits of the "insured" as stated:

Name

See Declarations for name of insured

Business

See Declarations for type of business

Liability for corporal punishment included

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

See Declarations to determine if corporal punishment coverage is included

SECTION II – LIABILITY COVERAGES

Coverage E – Personal Liability and Coverage F – Medical Payments to Others apply to the "business" pursuits of the "insured" named in the Schedule above.

SECTION II – EXCLUSIONS

Coverages E and F do not apply:

1. To "bodily injury" or "property damage" arising out of the "business" pursuits of the "insured" in connection with a "business" owned or financially controlled by the "insured" or by a partnership of which the "insured" is a partner or member;
2. To "bodily injury" or "property damage" arising out of the rendering of or failure to render professional services of any nature other than teaching, including but not limited to any:
 - a. Architectural, engineering or industrial design services;
 - b. Medical, surgical, dental or other services or treatment conducive to the health of persons or animals; and
 - c. Beauty or barber services or treatment;
3. To "bodily injury" to a fellow employee of the "insured" injured in the course of employment;
4. When the "insured" is a member of the faculty or teaching staff of any school or college:
 - a. To "bodily injury" or "property damage" arising out of the ownership, maintenance, occupancy, operation, use, loading, unloading, of, or entrustment by the "insured" to any person of, or the failure to supervise or negligent supervision of any person involving:
 - (1) Draft or saddle animals or vehicles for use therewith;
 - (2) Aircraft;
 - (3) Hovercraft;
 - (4) "Motor vehicles"; or
 - (5) Watercraft;
 owned or operated, or hired by or for the "insured" or employer or used by the "insured" for the purpose of instruction in the use thereof; or
 - b. To "bodily injury" to any pupil arising out of corporal punishment administered by or at the direction of the "insured". This Exclusion 4.b. does not apply if the box in the Schedule is checked indicating that liability for corporal punishment is covered.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 65 10 00 appears on the Declarations Page.

COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY
HO 04 65 10 00

For an additional premium, the Special Limits of Liability under Coverage C – Personal Property are increased as follows:

Property

- a. Money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- b. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- e. Jewelry, watches, furs, precious and semi-precious stones for loss by theft; but not more than \$1,000 for any one article.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- f. Firearms and related equipment for loss by theft.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- g. Silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware for loss by theft.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

10. Electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

11. Electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Increase in Limit of Liability Total Limit of Liability
See Declarations See Declarations

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 24 75 10 00 appears on the Declarations Page.

WATERCRAFT
HO 24 75 10 00

- A. Watercraft with one or more outboard engines or motors of more than 25 total horsepower; or other watercraft with inboard or inboard-outdrive engines or motors:

Outboard Engine(s) or Motor(s) (A)	Inboard or Inboard- Outdrive Watercraft (B)
Description	See Declarations
Horsepower	See Declarations
Length of Watercraft	See Declarations
Outboard Engine or Motor	See Declarations
Owner (if not you)	See Declarations
Navigation Period: from/to (each year)	See Declarations

- B. Sailing vessel 26 feet or more overall length, with or without auxiliary power:

Description	See Declarations
Horsepower	See Declarations
Length of Watercraft	See Declarations
Navigation Period: from/to (each year)	See Declarations

SECTION II – LIABILITY COVERAGES

Coverage E – Personal Liability and Coverage F – Medical Payments To Others apply to "watercraft liability" involving a watercraft described in the Schedule above.

SECTION II – EXCLUSIONS

With respect to the watercraft described in the Schedule, Exclusion B, "Watercraft Liability" is deleted and replaced by the following:

B. "Watercraft Liability"

1. Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence" the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. Coverages E and F do not apply to "bodily injury" to any "employee" arising out of and in the course of employment by an "insured" if the employee's principal duties are in connection with the maintenance, operation or use of a watercraft described in the Schedule, that is:
 - a. A sailing vessel; or
 - b. Powered by an inboard or inboard-outdrive engine or motor, including those that power a water jet pump.

All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2315 02 04 appears on the Declarations Page.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, RUST, WET OR DRY ROT, OR BACTERIA LIMITED COVERAGE
HOIV 2315 02 04

DEFINITIONS

The following definition is added:

9. "Fungus" means: any type or form of fungi, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

ADDITIONAL COVERAGES

The following additional coverage is added:

11. "Fungus", Rust, Wet or dry Rot, or Bacteria
We will pay up to \$5,000 for:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- a. the direct physical loss to covered property caused by "fungus", rust, wet or dry rot or bacteria;
- b. the cost to remove "fungus", rust wet or dry rot or bacteria from covered property;
- c. the cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungus", rust, wet or dry rot or bacteria.
- d. The cost of any testing of air or property to confirm the absence, presence or level of "fungus", rust wet or dry rot or bacteria, whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe there is the presence of "fungus", rust, wet or dry rot or bacteria; and
- e. **Additional Living Expenses or Fair Rental Value** loss covered under **Coverage D – Loss of Use**. This coverage only applies when such loss or costs:
 1. are a result of a loss we cover that occurs during the policy period;
 2. are not excluded under **Section I – Exclusions**; and
 3. only if all reasonable means are used to save and preserve the property from further damage.

This coverage does not apply to loss to trees, shrubs, and other plants.

The \$5,000 limit of liability is the most we will pay for the total of all loss or costs for Coverages A, B, C and D, and does not increase the limit of liability for these coverages, regardless of the number of locations or number of claims made.

SECTION I – PERILS INSURED AGAINST

The following is changed:

2.e.(3) is deleted and replaced with the following:

(3) Smog, rust or other corrosion.

2.e.(g) is added:

(g) constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months, or years.

SECTION I – EXCLUSIONS

The following is added:

1.i. "Fungus", rust, wet or dry rot or bacteria meaning the presence, growth, proliferation or spread of fungus, rust, wet or dry rot, or bacteria. This exclusion does not apply to the extent coverage is provided for in the **Additional Coverage 11. "Fungus", Rust Wet or Dry Rot or Bacteria** under **Section I Property Coverages**.

SECTION II – LIABILITY COVERAGES

SECTION II – EXCLUSIONS

The following is added to:

1. **Coverage E – Personal Liability** and **Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

m. Arising out of:

- a. or is aggravated by or results from "fungus", rust, wet or dry rot or bacteria.
- b. in whole or in part, or is aggravated by or results from "fungus", rust, wet or dry rot or bacteria which is imposed upon any insured person by any governmental authority.

All other provisions of this policy apply.

SH PH 01 10 12

CONTACT INFORMATION NOTICE – CALIFORNIA

IF YOU HAVE ANY PROBLEMS OR
COMPLAINTS ABOUT YOUR POLICY
WHICH AFTER CONTACTING US OR
YOUR AGENT HAS FAILED TO
PRODUCE A SATISFACTORY
RESOLUTION, YOU MAY CONTACT THE:

California Department of Insurance
Consumer Service Division
Underwriting Services Bureau
300 South Spring Street
Los Angeles, CA 90013
1-800-927-4357 (in California only)

CALIFORNIA INSURANCE GUARANTEE ASSOCIATION SURCHARGE

Companies writing property and casualty insurance business in California are required to participate in the California Insurance Guarantee Association. If a company becomes insolvent the California Insurance Guarantee Association settles unpaid claims and assesses each insurance company for its fair share.

California law requires all companies to surcharge policies to recover these assessments. If your policy is surcharge, "CA Surcharge" with an amount will be displayed on your premium notice.

CACIGA 1001 01 03

Case 2:22-cv-00560-MCE-DMC Document 1-3 Filed 03/28/22 Page 51 of 164

POLICY NUMBER:	2004443487
NAME OF INSURED:	Larry Biegler

NOTICE TO CONSUMERS — CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

PRIMARY FORMS OF RESIDENTIAL DWELLING COVERAGE

You have purchased the coverage(s) checked below. **NOTE: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.**

☐ **ACTUAL CASH VALUE COVERAGE** pays the costs to repair the damaged dwelling minus a deduction for physical depreciation. If the dwelling is completely destroyed, this coverage pays the fair market value of the dwelling at time of loss. In either case, coverage only pays for costs up to the limits specified in your policy. **This form of insurance applies to you ONLY IF you do not insure the dwelling to at least 80 percent of its replacement cost at the time of loss.**

☐ **REPLACEMENT COST COVERAGE** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy. **This form of insurance applies UNLESS form HOIV 2008 02 04 or DT002 appears on your Declarations Page.**

☒ **X EXTENDED REPLACEMENT COST COVERAGE** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies. **This form of insurance applies IF form HOIV 2008 02 04 or DT002 appears on your Declarations Page.**

☐ **GUARANTEED REPLACEMENT COST COVERAGE** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page. **This form of insurance is not available from our company.**

☒ **X BUILDING CODE UPGRADE COVERAGE**, also called Ordinance and Law coverage, is an important option that covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply. **This form of insurance applies to you IF form HO 04 77, DP 04 71 or DP 04 74 appears on your Declarations Page.**

READ YOUR POLICY AND POLICY DECLARATIONS PAGE CAREFULLY: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

0000001524534400010152447520000020500502030019000010002

INFORMATION YOU SHOULD KNOW ABOUT RESIDENTIAL DWELLING INSURANCE

AVOID BEING UNDERINSURED: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

THE RESIDENTIAL DWELLING COVERAGE LIMIT: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

DEMAND SURGE: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

CHANGES TO PROPERTY: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

EXCLUSIONS: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

CONTENTS (PERSONAL PROPERTY) COVERAGE DISCLOSURE:

This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

CONSUMER ASSISTANCE

If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

I acknowledge the receipt of the California Residential Insurance Disclosure.

Signature

Date

HOMEOWNERS
HO 00 03 10 00

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

- A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in b. below, mean the following:
 - a. Liability for "bodily injury" or "property damage" arising out of the:
 - (1) Ownership of such vehicle or craft by an "insured";
 - (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
 - (3) Entrustment of such vehicle or craft by an "insured" to any person;
 - (4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
 - (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
 - b. For the purpose of this definition:
 - (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
 - (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
 - (3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
 - (4) Motor vehicle means a "motor vehicle" as defined in 7. below.
 2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
 3. "Business" means:
 - a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an "insured".
 4. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
 5. "Insured" means:
 - a. You and residents of your household who are:
 - (1) Your relatives; or
 - (2) Other persons under the age of 21 and in the care of any person named above;
 - b. A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1) 24 and your relative; or
 - (2) 21 and in your care or the care of a person described in a.(1) above; or

c. Under Section II:

- (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in a. or b. above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
- (2) With respect to a "motor vehicle" to which this policy applies:
 - (a) Persons while engaged in your employ or that of any person included in a. or b. above; or
 - (b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

6. "Insured location" means:

- a. The "residence premises";
- b. The part of other premises, other structures and grounds used by you as a residence; and
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;
- c. Any premises used by you in connection with a premises described in a. and b. above;
- d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or

- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

7. "Motor vehicle" means:

- a. A self-propelled land or amphibious vehicle; or
- b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.

8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

- a. "Bodily injury"; or
- b. "Property damage".

9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.

10. "Residence employee" means:

- a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
- b. One who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

11. "Residence premises" means:

- a. The one family dwelling where you reside;
- b. The two, three or four family dwelling where you reside in at least one of the family units; or
- c. That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES**A. Coverage A – Dwelling****1. We cover:**

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
- b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

2. We do not cover land, including land on which the dwelling is located.**B. Coverage B – Other Structures****1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.****2. We do not cover:**

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.**C. Coverage C – Personal Property****1. Covered Property**

We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.
- k. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".
 - (1) This includes:
 - (a) Their accessories, equipment and parts; or
 - (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".
 - (2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:
 - (a) Used solely to service an "insured's" residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.
We do cover model or hobby aircraft not used or designed to carry people or cargo;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages; or

- k. Water or steam.

D. Coverage D – Loss Of Use

The limit of liability for Coverage D is the total limit for the coverages in 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use below.

1. Additional Living Expense

If a loss covered under Section I makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under Section I makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in 1. Additional Living Expense and 2. Fair Rental Value above for no more than two weeks.

4. Loss Or Expense Not Covered

We do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use above are not limited by expiration of this policy.

E. Additional Coverages

1. Debris Removal

- a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

- b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Wind-storm or Hail or Weight of Ice, Snow or Sleet; or
 - (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;
- provided the tree(s):
- (3) Damage(s) a covered structure; or
 - (4) Does not damage a covered structure, but:

- (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

- (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, described in B.4. under Section I – Conditions.

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

This coverage is additional insurance. No deductible applies to this coverage.

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
 - (a) By a resident of your household;
 - (b) By a person who has been entrusted with either type of card or access device; or
 - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or
- (2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. above applies, the following defense provisions also apply:

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.
- (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:

- (1) Earthquake; or
- (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph P. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. With respect to this Additional Coverage:
- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
 - (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
 - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
 - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) The Perils Insured Against named under Coverage C;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.

- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

9. Glass Or Safety Glazing Material

- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered vacant.

c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

This coverage does not increase the limit of liability applying to the damaged property.

11. Ordinance Or Law

- a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

12. Grave Markers

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

1. We insure against risk of direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:
 - a. Excluded under Section I – Exclusions;
 - b. Involving collapse, except as provided in E.8. Collapse under Section I – Property Coverages; or
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or

- (b) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
- (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
- (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment; or

- (6) Any of the following:
- (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion, or dry rot;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Birds, vermin, rodents, or insects; or
 - (h) Animals owned or kept by an "insured".

Exception To c.(6)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a:

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

- (ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

We do not cover loss to the system or appliance from which this water or steam escaped.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under c.(5) and (6) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism Or Malicious Mischief

9. Theft

- a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

- b. This peril does not include loss caused by theft:

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or
- (4) That occurs off the "residence premises" of:
 - (a) Trailers, semitrailers and campers;
 - (b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or
 - (c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

10. Falling Objects

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
 - (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

- A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion A.1.a. does not apply to the amount of coverage that may be provided for in E.11. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion A.1. applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;

- b. Landslide, mudslide or mudflow;
 - c. Subsidence or sinkhole; or
 - d. Any other earth movement including earth sinking, rising or shifting;
- caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion A.2. does not apply to loss by theft.

3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

7. Nuclear Hazard

This Exclusion A.7. pertains to Nuclear Hazard to the extent set forth in M. Nuclear Hazard Clause under Section I – Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage A, B or C by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

- B. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

- 1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in A. above to produce the loss.
- 2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- 3. Faulty, inadequate or defective:
 - a. Planning, zoning, development, surveying, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance;
 of part or all of any property whether on or off the "residence premises".

SECTION I – CONDITIONS**A. Insurable Interest And Limit Of Liability**

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

1. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
2. For more than the applicable limit of liability.

B. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;

- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in 6. above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages, stating the amount and cause of loss.

C. Loss Settlement

In this Condition C., the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in E.11. Ordinance Or Law under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;
 at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in 2.a. and b. above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in 2.a. and b. above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition C. Loss Settlement, provided you notify us of your intent to do so within 180 days after the date of loss.

D. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

E. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

F. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within two years after the date of loss.

H. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

J. Abandonment Of Property

We need not accept any property abandoned by an "insured".

K. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs E. Appraisal, G. Suit Against Us and I. Loss Payment under Section I – Conditions also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

L. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

M. Nuclear Hazard Clause

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

N. Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

O. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72 hour period will be considered as one volcanic eruption.

P. Policy Period

This policy applies only to loss which occurs during the policy period.

Q. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;

2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

R. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service an "insured's" residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions B. 6.a., b., d., e. or h.; or
 - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - a) Play the game of golf or for other recreational or leisure activity allowed by the facility;

(b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or

(c) Cross public roads at designated points to access other parts of the golfing facility; or

(2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

1. Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:

a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;

b. Rented to others;

c. Used to carry persons or cargo for a charge; or

d. Used for any "business" purpose.

2. If Exclusion B.1. does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:

a. Is stored;

b. Is a sailing vessel, with or without auxiliary power, that is:

(1) Less than 26 feet in overall length; or

(2) 26 feet or more in overall length and not owned by or rented to an "insured"; or

c. Is not a sailing vessel and is powered by:

(1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:

(a) 50 horsepower or less and not owned by an "insured"; or

(b) More than 50 horsepower and not owned by or rented to an "insured"; or

(2) One or more outboard engines or motors with:

(a) 25 total horsepower or less;

(b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";

(c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

(d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:

(i) You declare them at policy inception; or

(ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

a. Is of a different kind, quality or degree than initially expected or intended; or

b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion E.1. does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

b. This Exclusion E.2. does not apply to:

(1) The rental or holding for rental of an "insured location";

- (a) On an occasional basis if used only as a residence;
 - (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
 - b. Rented to an "insured"; or
 - c. Rented to others by an "insured";
- that is not an "insured location";

5. War

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions A. "Motor Vehicle Liability", B. "Watercraft Liability", C. "Aircraft Liability", D. "Hovercraft Liability" and E.4. "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage E – Personal Liability

Coverage E does not apply to:

1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in D. Loss Assessment under Section II – Additional Coverages;

- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

(1) That directly relate to the ownership, maintenance or use of an "insured location"; or

(2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in a. above or elsewhere in this policy;

- 2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

- 3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

- 4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

- a. Workers' compensation law;

- b. Non-occupational disability law; or
- c. Occupational disease law;
- 5. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;
 or any of their successors; or
 - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or
- 6. "Bodily injury" to you or an "insured" as defined under Definitions 5.a. or b.
 This exclusion also applies to any claim made or suit brought against you or an "insured":
 - a. To repay; or
 - b. Share damages with;
 another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage F does not apply to "bodily injury":

- 1. To a "residence employee" if the "bodily injury":
 - a. Occurs off the "insured location"; and
 - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
- 2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
- 3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or
 - c. Radioactive contamination;
 all whether controlled or uncontrolled or however caused; or
 - d. Any consequence of any of these; or
- 4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

A. Claim Expenses

We pay:

- 1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
- 2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
- 3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
- 4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

- 1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
- 2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section I;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) is designed for recreational use off public roads;
- (b) is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F limit of liability shown in the Declarations.

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";

- c. With the conduct of suits and attend hearings and trials; and
- d. To secure and give evidence and obtain the attendance of witnesses;
- 5. With respect to C. Damage To Property Of Others under Section II – Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
- 6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".
- D. Duties Of An Injured Person – Coverage F – Medical Payments To Others**
 - 1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
 - 2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
- E. Payment Of Claim – Coverage F – Medical Payments To Others**

Payment under this coverage is not an admission of liability by an "insured" or us.
- F. Suit Against Us**
 - 1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
 - 2. No one will have the right to join us as a party to any action against an "insured".
 - 3. Also, no action with respect to Coverage E can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.
- G. Bankruptcy Of An "Insured"**

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.
- H. Other Insurance**

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
- I. Policy Period**

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

- 1. Intentionally concealed or misrepresented any material fact or circumstance;
 - 2. Engaged in fraudulent conduct; or
 - 3. Made false statements;
- relating to this insurance.

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- 1. A subsequent edition of this policy; or
- 2. An amendatory endorsement.

B. Waiver Or Change Of Policy Provisions

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

C. Cancellation

- 1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- 2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

- (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
- (2) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

E. Assignment

Assignment of this policy will not be valid unless we give our written consent.

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage F or Paragraph C. Damage To Property Of Others under Section II – Additional Coverages.

G. Death

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. "Insured" includes:
 - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
 - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

PROOF OF SERVICE
STATE OF CALIFORNIA
SUPERIOR COURT OF CALIFORNIA – COUNTY OF SAN DIEGO

Larry Biegler, et al. v. National General Insurance Company

Case No.: 21CV02703

I am employed in the County of San Diego, State of California. I am over the age of 18 and am not a party to the within action; my business address is 101 West Broadway #1950, San Diego, California 92101.

On December 17, 2021, I served the foregoing documents, described as:

1. Summons 2. Complaint 3. CCC 4. Notice and Acknowledgement of Receipt
on all interested parties in this action by placing a true and correct copy thereof into the mail to:

National General Insurance Company
5301 Truxtun Ave, Ste. 100
Bakersfield, CA 93309

National General Insurance Company
16802 Aston Ste. 100
Irvine, CA 92606

XX (By Mail) As follows:

_____ I placed such envelope with postage thereon prepaid in the United States mail at San Diego, California.

_____ I am readily familiar with the firm's practice of collecting and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with the postage thereon fully prepaid at San Diego, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation or postage meter date is more than one day after the date of deposit for mailing in affidavit.

_____ (By ELECTRONIC MAIL) I sent such document via electronic mail to:

_____ (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

_____ (FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Dated: December 17, 2021 San Diego California.

/s/ Connie Magat
Connie A. Magat

PROOF OF SERVICE

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): John T. Richards, Esq. (SBN 159875); Evan Willis, Esq. (SBN 314797) RICHARDS WILLIS PC 750 B STREET, SAN DIEGO, CA 92101 TELEPHONE NO.: 619/237-9800 FAX NO.: ATTORNEY FOR (Name): Plaintiffs, Larry Biegler and Alysia Biegler		FOR COURT USE ONLY <div style="display: flex; justify-content: space-between;"> F Superior Court of California F </div> <div style="display: flex; justify-content: space-between;"> I County of Butte I </div> <div style="display: flex; justify-content: space-between;"> L 11/3/2021 L </div> <div style="display: flex; justify-content: space-between;"> E Sharif Elmallah, Clerk E </div> <div style="display: flex; justify-content: space-between;"> D By <i>A. Snow</i> D </div> <div style="display: flex; justify-content: space-between;"> Electronically FILED </div>	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Butte STREET ADDRESS: 1775 Concord Ave MAILING ADDRESS: CITY AND ZIP CODE: Chico, Ca. 95928 BRANCH NAME: Northern Division		CASE NUMBER: <div style="text-align: center; font-size: 1.2em;">21CV02703</div>	
CASE NAME: Larry Biegler, et al. v. National General Insurance Company		JUDGE: DEPT:	
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)		Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input checked="" type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. <input type="checkbox"/> Large number of separately represented parties
b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve
c. <input type="checkbox"/> Substantial amount of documentary evidence | d. <input type="checkbox"/> Large number of witnesses
e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☒ punitive
4. Number of causes of action (specify): **THREE (3)**
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: October 26, 2021

Evan Willis, Esq.

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

CM-010

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES**Auto Tort**

Auto (22)–Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability (*not asbestos or toxic/environmental*) (24)
Medical Malpractice (45)
Medical Malpractice–Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice (*not medical or legal*)
Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36)
Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease
Contract (*not unlawful detainer or wrongful eviction*)
Contract/Warranty Breach–Seller
Plaintiff (*not fraud or negligence*)
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case–Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage (*not provisionally complex*) (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ–Administrative Mandamus
Writ–Mandamus on Limited Court Case Matter
Writ–Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal–Labor
Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment (*non-domestic relations*)
Sister State Judgment
Administrative Agency Award (*not unpaid taxes*)
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint (*not specified above*) (42)
Declaratory Relief Only
Injunctive Relief Only (*non-harassment*)
Mechanics Lien
Other Commercial Complaint Case (*non-tort/non-complex*)
Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition (*not specified above*) (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief From Late Claim
Other Civil Petition

SUM-100

SUMMONS
(CITACION JUDICIAL)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):

NATIONAL GENERAL INSURANCE COMPANY; and DOES 1 through 20, inclusive

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):

LARRY BIEGLER, an individual; ALYSIA BIEGLER, an individual

FOR COURT USE ONLY (SOLO PARA USO DE LA CORTE)	
Superior Court of California	
County of Butte	
11/3/2021	
Sharif Elmallah, Clerk	
By <u>A. Snow</u> Deputy	
Electronically FILED	

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.**

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no pueda pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desecher el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):

SUPERIOR COURT OF CALIFORNIA, COUNTY OF BUTTE, NORTHERN DIVISION
1775 CONCORD AVE., CHICO, CA 95928

CASE NUMBER: (Número del Caso):

21CV02703

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is: (El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

RICHARDS WILLIS PC; 750 B Street, Suite 1760, San Diego, CA 92101; Tel: 619-237-9800

DATE: 11/3/2021
(Fecha)

Sharif Elmallah Clerk, by
(Secretario)

A. Snow

, Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



NOTICE TO THE PERSON SERVED: You are served

- ☐ as an individual defendant.
- ☐ as the person sued under the fictitious name of (specify):
- ☐ on behalf of (specify):
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):
- ☐ by personal delivery on (date):

Form Adopted for Mandatory Use
Judicial Council of California
SUM-100 (Rev. July 1, 2009)

SUMMONS

Page 1 of 1
Code of Civil Procedure §§ 412.20, 465
www.courts.ca.gov

For your protection and privacy, please press the Clear
This Form button after you have printed the form.

Print this form

Save this form

Clear this form

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name & Address): TELEPHONE NO:	FOR COURT USE ONLY
ATTORNEY FOR (Name):	F <u>Superior Court of California</u> F County of Butte
SUPERIOR COURT OF CALIFORNIA, COUNTY OF BUTTE	FILED 11/03/2021 FILED
<input type="checkbox"/> Butte County Courthouse One Court Street, Oroville, CA 95965 (530) 532-7002	Sharif Elmallah, Clerk By <u>A. Snow</u> Deputy
<input checked="" type="checkbox"/> North Butte County Courthouse 1775 Concord Avenue, Chico, CA 95928 (530) 532-7009	
PLAINTIFF(S): LARRY BIEGLER; ALYSIA BIEGLER	
DEFENDANT (S): NATIONAL GENERAL INSURANCE COMPANY	
NOTICE OF ASSIGNMENT & CASE MANAGEMENT CONFERENCE	CASE NUMBER: 21CV02703

1. NOTICE is given of Assignment of the above entitled case for all purposes to Judge **Stephen E Benson**.
2. NOTICE is given that the Case Management Conference is scheduled as follows:

Date: **April 27, 2022** Time: **10:30 A.M.** Court Facility: ☒ CHICO (1775 CONCORD AVE, CHICO)

PLAINTIFF/CROSS COMPLAINANT MUST SERVE THIS NOTICE WITH SUMMONS AND COMPLAINT/CROSS COMPLAINT

3. You **must** file and serve a completed Case Management Statement at least fifteen days before the conference.
4. You **must** be familiar with the case and be fully prepared to participate effectively in the Case Management Conference by personal or telephonic appearance. (Telephonic appearances are arranged by calling Court Call at 1-888-882-6878).
5. At the Case Management Conference, the court shall make pretrial orders, including but not limited to:
 - a. Establishing a discovery schedule.
 - b. Ordering the case to mediation or arbitration.
 - c. Dismissing fictitious defendants.
 - d. Scheduling exchange of expert witness information.
 - e. Setting subsequent conferences and the trial date.
 - f. Consolidating cases.
 - g. Severing trial of cross-complaints or bifurcating trial of issues.
 - h. Determining when demurrers, motions to strike and other motions are to be noticed.

*** * * Note: Counsel and Parties Should Review CRC §3.720-3.730. * * ***

Tentative Rulings: Although not applicable to Case Management Conferences, the Court advises counsel that for law and motion matters, the Court follows the tentative ruling procedure set forth in CRC § 3.1308(a)(1) and in Local Rule 2.9: tentative rulings on law and motion matters will be available on the Court's website at www.buttecourt.ca.gov and by telephone at (530) 532-7022 by 3:00 p.m. on the Court day preceding the hearing. By 4 p.m. that same day, a party must notify all other parties and the Court of their intention to argue. If timely notice is not given, no oral argument will be permitted unless the court has directed the parties to provide further argument in its tentative ruling.

*** * Sanctions * ***

If you do not, (1) file the Case Management Statement, (2) attend the Case Management Conference personally or by telephone (or have counsel attend for you), and/or (3) you (or counsel appearing for you) do not participate effectively in the conference, the court may impose sanctions (including dismissal of the case and payment of money).

I declare under penalty of perjury that I am not a party to this action, am at least 18 years of age and that I personally Mailed a copy of this Notice of Assignment & Case Management Conference with the conference date and hearing time inserted to John Theodore Richards, a person representing the plaintiff/cross-complainant.

Date: November 03, 2021

Sharif Elmallah, Clerk of the Court, by Ashley Snow, Deputy.



**Superior Court of California
County of Butte**

1775 Concord Ave
Chico CA 95928

Civil
530-532-7009

F Superior Court of California F
I County of Butte I
L 11/03/2021 L
E Sharif Elmallah, Clerk E
D By A. Snow Deputy D

File Copy

Re: Biegler, Larry et al vs National General Insurance Company

Case Number: 21CV02703

Proof of Mailing

I, Sharif Elmallah, Clerk of the Superior Court of the State of California, in and for the County of Butte, do hereby certify that on November 03, 2021, I served copies of Notice of Assignment and Case Management Conference, in the above entitled action by placing the document(s) for collection and mailing on the date shown, following standard court practices in a sealed envelope with postage fully prepaid, to the parties shown below. The mailing occurred in Chico, California.

Mailed to:

John Theodore Richards Richards Law Firm 750 B Street, Suite 1760 San Diego, CA 92101

November 03, 2021

Sharif Elmallah,
Clerk of the Superior Court
By: A. Snow, Deputy Clerk

1 JOHN T. RICHARDS, ESQ. (SBN 159875)
john@richardswillisp.com
2 EVAN WILLIS, ESQ. (SBN 314797)
evan@richardswillisp.com
3 RICHARDS WILLIS PC
4 750 B Street, Suite 1760
San Diego, California 92101
5 T: (619) 237-9800

6 *Attorneys for Plaintiffs*

7
8
9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 FOR THE COUNTY OF BUTTE – NORTH JUSTICE CENTER

12 LARRY BIEGLER, an individual;
13 ALYSIA BIEGLER, an individual;

14 *Plaintiffs,*

15 vs.

16 NATIONAL GENERAL INSURANCE
17 COMPANY; INTEGON NATIONAL
18 INSURANCE COMPANY; and DOES 1
through 20, inclusive

19 *Defendants.*

Case No.: 21CV02703

FIRST AMENDED COMPLAINT FOR:

- 1.) Bad Faith
- 2.) Breach of Contract
- 3.) Contractual Breach of Implied
Covenant of Good Faith and
Fair Dealing

DEMAND FOR JURY TRIAL

20
21
22
23 COMES NOW, Plaintiffs LARRY BIEGLER and ALYSIA BIEGLER; (hereinafter
24 collectively "PLAINTIFFS") by and through their attorneys of record, who hereby allege as
25 follows:

26 *////*

27 *////*

28 *////*

////

F Superior Court of California F
I County of Butte I
L 1/18/2022 L
E E
D Sharon E. Malloy, Clerk D
By *[Signature]* Deputy
Electronically FILED

I.
JURISDICTION AND VENUE

1. Venue and jurisdiction is proper in this court as the tortious acts alleged herein all occurred in the City of Paradise, in the County of Butte, in the State of California. In addition, all Defendant corporations are conducting business in the City of Paradise, in the County of Butte, in the State of California. Lastly, the real property at issue is located in the City of Paradise in the County of Butte, in the State of California.
2. Further, venue and jurisdiction are proper in the Superior Court of Butte County as Defendants NATIONAL GENERAL INSURANCE COMPANY and INTEGON NATIONAL INSURANCE COMPANY sold PLAINTIFFS Homeowners Insurance Policy, policy number 2004443487 (hereinafter "THE POLICY") in Paradise, County of Butte, collected premiums from PLAINTIFFS in Paradise, County of Butte, and ultimately breached the terms of said insurance POLICY all within the County of Butte, State of California. (See attached "EXHIBIT A").
3. PLAINTIFFS suffered severe destruction to real and personal property located at 5240 Edgewood Lane, Paradise, CA 95969 as a result of the 2018 Camp Fire in Paradise, California.
4. At all times herein mentioned, Defendant NATIONAL GENERAL INSURANCE COMPANY ("NATIONAL GENERAL") was a corporation organized and existing under the laws of the state of California doing the business as insurance company in the State of California, County of Butte, City of Paradise, California; and as doing business as an insurer in Butte County, State of California.
5. At all times herein mentioned, Defendant INTEGON NATIONAL INSURANCE COMPANY ("INTEGON") was a corporation organized and existing under the laws of the state of California doing the business as insurance company in the State of California, County of

1 Butte, City of Paradise, California; and as doing business as an insurer in Butte County, State of
2 California.

3 6. At all times herein, NATIONAL GENERAL and INTEGON were acting as agents,
4 representatives, employees, and/or alter egos of one another.

5 7. PLAINTIFFS complain against Defendants NATIONAL GENERAL INSURANCE
6 COMPANY; INTEGON NATIONAL INSURANCE COMPANY; and DOES 1- 20, inclusive,
7 as follows:
8

9
10 **II.**
11 **GENERAL ALLEGATIONS**

12 8. At all times herein mentioned, there existed a contract of insurance between
13 NATIONAL GENERAL and INTEGON (hereinafter collectively referred to as "INSURANCE
14 DEFENDANTS") and PLAINTIFFS, Homeowners Insurance Policy, policy number
15 2004443487 (See attached "EXHIBIT A"), which provided coverage to PLAINTIFFS in the
16 event of a loss, as stated in THE POLICY. PLAINTIFFS' coverage included losses, costs,
17 and/or expenses including but not limited to \$523,120 for dwelling, \$352,312 for other
18 structures, \$366,184 for personal property; and \$104,624 for loss of use.
19

20 9. Any and all claims and/or allegations as plead herein against NATIONWIDE
21 GENERAL and/or INTEGON relate back to the original incident and/or filing of this initial
22 lawsuit. Even when a plaintiff seeks to add new legal theories or causes of action, the amended
23 complaint relates back to the date of the filing of the original complaint and thus avoids the bar
24 of the statute of limitations so long as recovery sought in both pleadings is based upon the same
25 general set of facts. *Smeltzley v. Nicholson Manufacturing Co.* (1977) 18 Cal.3d 932, 939-940;
26 See also *Kittredge Sports Co., supra*, 213 Cal.App.3d at 1048; *Hirsa, supra*, 118 Cal.App.3d at
27
28

1 489. In this case, any and all claims and allegations plead herein relate back to the incident
2 and/or filing of the original complaint in this matter.

3 10. PLAINTIFFS' property in Paradise, CA located at 5240 Edgewoon Ln., Paradise, CA
4 95969 is and was a single family home at time of the INCIDENT.

5 11. THE POLICY was in effect from January 23, 2018 until January 23, 2019 and
6 PLAINTIFFS had coverage for the INCIDENT giving rise to this litigation as it occurred on or
7 about November 8, 2018.

9 12. On or about November 8, 2018, PLAINTIFFS' home located at 5420 Edgewood Lane,
10 Paradise, CA 95969 was burned down in the Camp Fire. INSURANCE DEFENDANTS
11 accepted coverage for the loss, but did not pay PLAINTIFFS all the monies due and owed under
12 THE POLICY. The amount offered to PLAINTIFFS for the loss covered under THE POLICY
13 was substantially less than what PLAINTIFFS damages were and which PLAINTIFFS were
14 entitled to and covered under THE POLICY. On July 22, 2021, INSURANCE DEFENDANTS
15 INSURANCE COMPANY confirmed they would not be paying any more monies due and
16 owed to PLAINTIFFS under THE POLICY.
17

18 13. From the inception of PLAINTIFFS' interaction with the adjuster for INSURANCE
19 DEFENDANTS, it become clear that INSURANCE DEFENDANTS' adjuster harbored and
20 exhibited prejudice against PLAINTIFFS, who and refused to settle for a low-value offer in
21 order to take advantage of PLAINTIFFS, who were in a financially difficult position because
22 their home, belongings, and entire lives were burned in the Camp Fire, whom they decided
23 would be unable to defend themselves against INSURANCE DEFENDANTS' wrongful and
24 purposeful low-ball offer for their claim covered under THE POLICY.
25

26 14. The adjusters, agents, and/or employees of INSURANCE DEFENDANTS were
27
28

1 constantly hostile to PLAINTIFFS throughout the claims process, telling PLAINTIFFS they
2 would not pay all monies owed the contract because "it isn't covered" despite PLAINTIFFS'
3 home's structural damage, hardscape damage, and contents damages, and the like, arising from
4 a fire, a covered loss, and PLAINTIFFS having the overwhelming evidence that their damages
5 exceeded THE POLICY limits. INSURANCE DEFENDANTS were also provided a thorough
6 and detailed documents which detailed how the damages from the loss exceeded the amount of
7 THE POLICY. INSURANCE DEFENDANTS refused to consider any information which did
8 not support their pre-determined position that the loss worth less than they were entitled to
9 under THE POLICY.
10

11 15. Additionally, the INSURANCE DEFENDANTS' adjuster consistently acted irrationally
12 towards PLAINTIFFS, including, but not limited to, refusing to fully, completely, and properly
13 inspect PLAINTIFFS' property after the fire, and refusing to take measurements of
14 PLAINTIFFS' property that would be required for repair and replacement of the property, and
15 refusing to pay for the destruction of property and damages PLAINTIFFS experienced from a
16 covered loss.
17

18 16. INSURANCE DEFENDANTS approached the investigation with pre-determined
19 findings, a pre-determined outcome, and a pre-determined conclusion, which was evidenced by
20 the INSURANCE DEFENDANTS adjuster stating they were "holding their ground" and
21 offering substantially less than PLAINTIFFS' actual damages claimed and covered, before they
22 even began fully investigating and before they inspected PLAINTIFFS' claim or the scene to
23 evaluate the entire scale of the destruction.
24

25 17. INSURANCE DEFENDANTS has purposefully chosen to disregard all evidence to the
26 contrary of their adjusters pre-determined opinions in which they desired to unreasonably offer
27
28

1 PLAINTIFFS an amount substantially less than the value of their claim to take advantage of
2 PLAINTIFFS for desperate position they were in after their home burned down in the Camp
3 Fire.

4 18. The fire was caused by a covered loss under THE POLICY. The fire caused
5 considerable damages to PLAINTIFFS' home's structure, hardscaping, and contents, for which
6 they are covered under THE POLICY. The fire further caused PLAINTIFFS to incur out of
7 pocket expenses, and costs and expenses for emergency services, relocation and displacement
8 expenses, and loss of use and enjoyment of their home.

9
10 19. INSURANCE DEFENDANTS also refuse to pay other amounts due and owed on THE
11 POLICY according to proof at time of trial.

12
13 20. INSURANCE DEFENDANTS also failed to have an independent investigation into the
14 coverage and the scope of the loss, instead pre-selecting adjusters to give predetermined
15 opinions in which they desired to unreasonably and ultimately deny/refuse to offer the full
16 amount of PLAINTIFFS' damages for PLAINTIFFS' claims. In doing so, INSURANCE
17 DEFENDANTS failed to give the interests of their insured at least as much consideration as
18 they gave their own interests.
19

20
21 **III.**
22 **FIRST CAUSE OF ACTION FOR BAD FAITH**
23 **(PLAINTIFFS vs. ALL DEFENDANTS)**

24 21. PLAINTIFFS repeat and realleges each and every allegation made above, fully
25 incorporating those allegations as though full set forth herein.

26 22. PLAINTIFFS, at all times mentioned here, had in full force and effect an insurance
27 policy with INSURANCE DEFENDANTS, Homeowners Insurance Policy, policy number
28

1 2004443487. THE POLICY covered certain real and personal property, and loss of rents, and
2 loss of use located at 5240 Edgewood Lane, Paradise, CA 95969 and was in effect on the date
3 of the loss on November 8, 2018.

4 23. Implied in THE POLICY was a covenant by INSURANCE DEFENDANTS that
5 INSURANCE DEFENDANTS would act in good faith and deal fairly with PLAINTIFFS, and
6 that INSURANCE DEFENDANTS would do nothing to interfere with the rights of
7 PLAINTIFFS to receive the full benefits they are entitled to under THE POLICY.
8

9 24. PLAINTIFFS timely informed INSURANCE DEFENDANTS that their home and
10 personal property was destroyed in the 2018 Camp Fire. PLAINTIFFS' loss from the fire which
11 is covered by THE POLICY. INSURANCE DEFENDANTS since refused to accept full
12 coverage for the loss.
13

14 25. PLAINTIFFS are informed and believe, and based thereon allege, that INSURANCE
15 DEFENDANTS, deliberately, wrongfully, and in breach of the implied covenant of good faith
16 and fair dealing implied in the insurance contract (THE POLICY) committed the following acts
17 of bad faith:
18

- 19 a. Failed to pay significant portions of the claim, even after their own experts verified
20 the need for payment due to the fire;
- 21 b. Unlawfully withheld and hid facts about PLAINTIFFS' coverage, including reports of
22 INSURANCE DEFENDANTS' experts favorable to PLAINTIFFS and the claims
23 process;
- 24 c. Misled PLAINTIFFS about the nature of the claim, the coverage, and the claims
25 process;
- 26 d. Refused to affirm coverage of aspects of the claim within a reasonable time;
- 27
- 28

- e. Failed to acknowledge and act reasonably and promptly with respect to communicating with PLAINTIFFS about the claims or their representatives;
- f. Failed to acknowledge and act reasonably and promptly with respect to communicating with PLAINTIFFS about the claims and/or claims process;
- g. Delayed accepting coverage of undisputed portions of PLAINTIFFS loss until PLAINTIFFS were forced to hire and pay for professional services;
- h. Refused to perform a competent and timely investigation of the claim;
- i. Refused to hire competent consultants to determine the full extent of the loss and the proper method to return the property to its pre-loss condition;
- j. Directed the claims investigation to a certain result wherein INSURANCE DEFENDANTS paid little or no money by hiring experts who would give INSURANCE DEFENDANTS favorable opinions, and then concealing opinions of their own experts who were not favorable;
- k. Unreasonably delaying the claims process to make PLAINTIFFS desperate to take any amount offered;
- l. Failing to pay undisputed portions of the claim;
- m. Unreasonably having a predetermined bias against PLAINTIFFS;
- n. Performing an unreasonable and inadequate investigation;
- o. Discriminating against PLAINTIFFS for obtaining a Public Adjuster Adjuster and/or individuals to assist them in their claim;
- p. Never attempting, in good faith, a prompt, fair and equitable settlement of PLAINTIFFS claims after causation and liability became reasonably clear;
- q. Unreasonably and unjustifiably failed to timely and fully pay PLAINTIFFS claims

1 under the policy;

2 r. Refused to respond to PLAINTIFFS' inquiries as required by Insurance Code 790.03
3 (h) et seq., and California Code of Regulations Title 10, Chapter 3, Sub-Chapter 8 2695
4 et seq.;

5 s. Deliberately refused without legal or factual justification to fairly evaluate the re-
6 opened claims as mandated by C.C.P. 340.9;

7 t. Took an unreasonable position under C.C.P. 340.9 that deliberately misread the facts
8 and law in this claim;

9 u. Failing to properly act as stewards of THE POLICY and review and upgrade the
10 policy limits from time to times so that PLAINTIFF would be adequately compensated
11 in the event of a partial or total loss of their residence and belongings;

12 v. Engaging in other unreasonable and illegal claims practices with which are currently
13 unknown to PLAINTIFF, but which PLAINTIFF will likely discover during the
14 litigation of this case.

15
16
17 26. Further, because the claims investigation was purposefully curtailed to reach a certain
18 result which favored INSURANCE DEFENDANTS, thereby allowing them to pay little or no
19 money by hiring experts who would give INSURANCE DEFENDANTS favorable opinions
20 and low values, and then concealing opinions of their own experts who were not favorable;
21 these actions were purposefully directed by INSURANCE DEFENDANTS' officers, directors,
22 and/or managing agents who authorized and/or ratified the wrongful behavior of their adjusters
23 and employees.

24
25
26 27. The INSURANCE DEFENDANTS officers, directors, and/or managing agents who
27 authorized and/or ratified the wrongful behavior of their adjusters/ employees had advance
28

1 knowledge of the unfitness of the employee and/or representative, and employed him or her
 2 with a conscious disregard of the rights or safety of PLAINTIFFS, and authorized or ratified the
 3 wrongful conduct of the INSURANCE DEFENDANTS adjusters/agents/employees pertaining
 4 to INSURANCE DEFENDANTS' low offer which was substantially less than PLAINTIFFS'
 5 damages from the fire. Because of this, INSURANCE DEFENDANTS are guilty of oppression,
 6 fraud, and/or malice.

7
 8 28. INSURANCE DEFENDANTS officers, directors, and/or managing agents had advance
 9 knowledge of their agents and/or employees wrongful conduct, and demonstrated a conscious
 10 disregard, authorized, ratified their conduct as complained herein pertaining to the fire/loss
 11 which is an act of oppression, fraud, or malice must be on the part of INSURANCE
 12 DEFENDANTS' officers, directors, and/or managing agent of their insurance corporation.

13
 14 29. Moreover, in California, because of the "special relationship" between an insured and
 15 an insurer, where an insurance company such as INSURANCE DEFENDANTS act in bad faith
 16 and the misconduct is egregious, punitive damages are available under *Neal v. Farmers Ins.*
 17 *Exchange* (1978) 21 Cal.3d 910, 922-23). The conduct in this case is particularly egregious
 18 because of INSURANCE DEFENDANTS insurance denial scheme and purposefully
 19 denial/undervalue of a covered claim.

20
 21 30. Even more additionally, punitive damages are appropriate in this case because of the
 22 purposeful "inordinate delays" caused by INSURANCE DEFENDANTS during the claims
 23 process, including, but not limited to, INSURANCE DEFENDANTS' adjuster's handling of
 24 PLAINTIFFS' claim. Inordinate delays in handling or investigating a claim may also justify
 25 punitive damages. (*Campbell v. Cal-Guard Sur. Services, Inc.*(1998) 62 Cal.App.4th 563, 571).
 26 In this case, INSURANCE DEFENDANTS purposefully delayed and stalled during the claims
 27
 28

1 process for years until they eventually purposefully undervalued PLAINTIFFS' claiming no
2 other damages were covered.

3 31. Furthermore, punitive damages are particularly appropriate in this case because
4 INSURANCE DEFENDANTS an insurance company, has an institutionalized practice that is
5 unreasonable and in bad faith. (*Neal, supra*, 21 Cal.3d at 923). INSURANCE DEFENDANTS
6 has a "broad fraudulent scheme" or an "unlawful profit scheme" by purposefully curtailing
7 their own evaluation the 2018 Camp Fire with their own pre-determined contractors with the
8 intent on denying/undervaluing fire claims by simply stating there is insufficient evidence that
9 the policy limits were reached, despite the fire causing much more damage to PLAINTIFFS that
10 was covered under THE POLICY. This clearly justifies punitive damages against INSURANCE
11 DEFENDANTS in this case. (*State Farm Mut. Auto Ins. v. Campbell* (2003) 538 U.S. 408, 435–
12 436). INSURANCE DEFENDANTS also has "established policies and/or practices" in their
13 claims handling process which are harmful to insureds, making punitive damages appropriate
14 under (*Mock v. Michigan Miller's Mutual Ins. Co.* (1992) 4. Cal.App.4th 306, 329). As
15 described above, INSURANCE DEFENDANTS has a vast scheme to underevaluate claims by
16 saying there is insufficient evidence, when there is.

17 32. Because of the PG&E Bankruptcy, insurance companies, including INSURANCE
18 DEFENDANTS were paid back 100-cents on the dollar by PG&E as a result of a settlement
19 whereby insurance companies were paid \$11 Billion in cash for their coverage payouts from the
20 Camp Fire. This makes INSURANCE DEFENDANTS' purposeful denial of PLAINTIFFS'
21 proven claims particularly egregious.

22 33. In addition, "the existence and frequency of similar past conduct" is evidence that raises
23 the likelihood of a punitive damage award. (*Pacific Mut. Life Ins. Co. v. Hasip* (1991) 499
24
25
26
27
28

1 U.S.1, 21). INSURANCE DEFENDANTS has decades of history engaging in the behavior as
2 complained herein.

3 34. Furthermore, INSURANCE DEFENDANTS failed to have an independent investigation
4 into the coverage and the scope of the loss of the loss, instead pre-selecting experts to give them
5 pre-determined opinions in which they desired to ultimately deny/undervalue PLAINTIFFS'
6 claims. In doing so, INSURANCE DEFENDANTS failed to give the interests of their insured at
7 least as much consideration as they gave their own interests.

9 35. PLAINTIFFS are informed and believe, and based thereon alleges, that INSURANCE
10 DEFENDANTS committed other further acts of bad faith. Leave of court will be sought to
11 amend this Complaint as soon as the particulars of these bad faith actions are discovered
12 according to proof at the time of trial.

14 36. As a direct and legal result of INSURANCE DEFENDANTS acts of bad faith, as herein
15 alleged, PLAINTIFFS' home's structure, hardscaping, and personal property, and contents
16 remains damaged and in a worse condition than it was immediately after the loss. Moreover,
17 INSURANCE DEFENDANTS refuses to offer PLAINTIFFS enough monies to compensate
18 PLAINTIFFS for their losses. The full amount of PLAINTIFFS' special damage especially
19 exceeds that of their POLICY limits. PLAINTIFFS will amend this pleading according to proof.
20

21 37. PLAINTIFFS were also compelled to hire an attorney to present their claim and to incur
22 attorney's fees and costs in an amount to be shown at the time of trial.
23

24 ////

26 ////

IV.

SECOND CAUSE OF ACTION BREACH OF CONTRACT (PLAINTIFFS vs. ALL
DEFENDANTS)

38. PLAINTIFFS repeat and reallege each and every allegation made above, fully
incorporating those allegations as though full set forth herein.

39. There is a valid and existing insurance agreement (THE POLICY) between
PLAINTIFFS and INSURANCE DEFENDANTS. See "EXHIBIT A," included herewith.

40. PLAINTIFFS performed under the agreement/ THE POLICY.

41. INSURANCE DEFENDANTS breached the agreement by, inter alia, refusing to
properly compensate PLAINTIFFS for a covered loss under the agreement/ THE POLICY.

42. Under the terms of the insurance contract (THE POLICY), INSURANCE
DEFENDANTS owed PLAINTIFFS a duty and guarantee to put PLAINTIFFS' home and
property into its pre-loss condition, to pay for all damage to structures, contents, adjusted living
expenses, business inventory loss, business income loss, and to provide replacement coverage
under the terms of THE POLICY.

43. INSURANCE DEFENDANTS breached their contract with PLAINTIFFS by refusing to
fairly and honestly adjust the loss, and by failing to adequately pay the damage caused by a
covered peril.

44. As a legal result of INSURANCE DEFENDANTS' breach of contract, PLAINTIFFS
have suffered damages in excess of the jurisdiction of this court.

////

////

COMPLAINT

V.

**THIRD CAUSE OF ACTION FOR BREACH OF IMPLIED COVENANT OF GOOD
FAITH AND FAIR DEALING
(PLAINTIFFS vs. ALL DEFENDANTS)**

45. PLAINTIFFS repeat and reallege each and every allegation made above, fully incorporating those allegations as though full set forth herein.

46. There is implied in every contract a covenant of good faith and fair dealing.

47. PLAINTIFFS and INSURANCE DEFENDANTS entered into a valid and existing insurance agreement.

48. INSURANCE DEFENDANTS owed PLAINTIFFS a duty of good faith and fair dealing.

49. INSURANCE DEFENDANTS breached its duty of good faith and fair dealing by, inter alia, refusing to properly compensate PLAINTIFFS for the structural damage from the fire which is covered under THE POLICY.

50. PLAINTIFFS sustained damages as a result of INSURANCE DEFENDANTS' breach of the implied covenant of good faith and fair dealing.

51. PLAINTIFFS has been required to retain the services of an attorney to commence this action and are entitled to attorney's fees and costs.

////

////

////

VI.
PRAYER FOR RELIEF

WHEREFORE, PLAINTIFFS prays for judgment against Defendants INSURANCE DEFENDANTS and DOE Defendants 1-20 in amount according to proof at the time of trial as follows:

1. All special damages according to proof;
2. All general damages including but not limited to worry, grief, distress, annoyance, anxiety, discomfort, and emotional damages according to proof;
3. Prejudgment and post-judgment interest from November 8, 2018, according to proof;
4. For interest at a legal rate on the sum of their claim from the date it should have been paid to the present;
5. For their losses unpaid and due under the insurance contract pursuant to California law in the amount to be shown at trial;
6. For additional general damages due as a result of the negligence, improper adjusting of this claim to be proven at trial;
7. For additional special damages including, but not limited to: cost to rebuild PLAINTIFFS' property to its pre-loss condition, reimbursement for encumbrance of their primary commercial property, reimbursement for lost expenses and any additional special damages to be proven at trial;
8. For consequential damages as prescribed in California Code of Regulations, Title 10, Chapter 5, sub-Chapter 8, 2695 (a)(1);
9. For exemplary and punitive damages, in a sum necessary to punish INSURANCE DEFENDANTS and DOES 1-20, and to deter future similar acts of misconduct, including treble damages where appropriate;

1 10. For an award of monetary, statutory, compensatory, and punitive damages, where
2 appropriate and according to proof;

3 11. For any and all reimbursement arising out of the failed sale/real estate transaction of
4 the property;

5 12. For any and all *Brandt Fees* the Court shall deem just. Including any and all *Brandt*
6 fees recoverable pursuant to *Brandt v. Superior Court*, 37 Cal. 3d (1985).

7 13. All costs of suit, including appraisal fees, and all related fees incurred in proving
8 PLAINTIFFS' case and related reasonable litigation costs.
9

10 14. For such other and further relief as the Court shall deem just, all according to proof.
11

12 **PLAINTIFFS HEREBY DEMAND A TRIAL BY JURY.**

13 DATED: January 12, 2022

RICHARDS WILLIS PC

14
15 By: 

16 JOHN T. RICHARDS, ESQ.
17 EVAN WILLIS, ESQ.
18 *Attorneys for Plaintiffs*

19 RICHARDS WILLIS PC
20 750 B Street, Suite 1760
21 San Diego, CA 92101
22 Tel: 619-237-9800
23 evan@richardswillisp.com
24
25
26
27
28

“EXHIBIT A”



PO Box 3199 • Winston Salem, NC 27102-3199

Larry Biegler
Alysia Biegler
5240 Edgewood Ln
Paradise, CA 95969

Residence Premises
5240 Edgewood Ln
Paradise, CA 95969

Policy Number:
2004443487

Named Insured:
Larry Biegler

Policy Period: 12:01 AM
1/23/2018 - 1/23/2019

Date of Notice: 12/4/2017

Policy Underwritten By:
Integon National Insurance Company

24 Hour Claim Reporting: 1-800-468-3466
For Policy Information: (844) 582-7973
www.MyNatGenPolicy.com

9310556
NEA -Baker & Baker Agency
389 G Connors Ct
Chico CA 95926-1177
(530) 893-8301

HOMEOWNERS POLICY DECLARATIONS

TRANSACTION TYPE:
RENEWAL

PAYMENT TYPE:
MORTGAGEE BILLED

Dear Policyholder,

The NEA -BAKER & BAKER AGENCY and National General Insurance are pleased to present you with your homeowners renewal insurance policy.

A bill for your premium is being sent to your mortgagee separately requesting payment of the premium.

In the event of a loss, call our toll free number 1-800-468-3466 for 24-hour claim reporting. Our dedicated professionals are ready to help 24 hours a day, seven days a week.

Thank you for letting us be of service and if you have any questions, please contact NEA -BAKER & BAKER AGENCY at (530) 893-8301.

MESSAGES

PLEASE REFER TO THE "IMPORTANT NOTICES" SECTION OF THIS POLICY FOR IMPORTANT INFORMATION CONCERNING THIS POLICY.

To keep pace with rising replacement costs, your property coverage limits have been upgraded.

YOUR POLICY DOES NOT PROVIDE COVERAGE AGAINST THE PERIL OF EARTHQUAKE

YOUR POLICY DOES NOT PROVIDE COVERAGE FOR LOSS ASSESSMENT DUE TO EARTHQUAKE.

BASIC POLICY COVERAGES

SECTION I PROPERTY COVERAGES	LIMITS OF LIABILITY
A. DWELLING	\$ 523,120
B. OTHER STRUCTURES	\$ 52,312
C. PERSONAL PROPERTY	\$ 366,184
D. LOSS OF USE	\$ 104,624

SECTION I DEDUCTIBLE

We will pay only that part of the total of all loss and expense payable under Section I that exceeds: \$ 500.

SECTION II LIABILITY COVERAGES	LIMITS OF LIABILITY
E. PERSONAL LIABILITY – EACH OCCURRENCE	\$ 300,000
F. MEDICAL PAYMENTS TO OTHERS	\$ 5,000

ADDITIONAL COVERAGES

Extended Dwelling Replacement Cost
Limit: 50%

Amendatory Mold Endorsement
Section I Limit: \$5,000

Workers' Compensation

ATTACHMENTS

The following forms, endorsements and exceptions to conditions are part of the policy at time of issue. Please read them carefully.

FORM NO.	EDITION DATE	TITLE
HOIV 2001	03 15	CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT
CACIGA 1001	01 03	CALIFORNIA INSURANCE GUARANTEE
CAHOIV 2014	08 12	NOTICE TO CONSUMERS - CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE
HO 00 03	10 00	HOMEOWNERS 3 SPECIAL
HO 01 04	09 06	SPECIAL PROVISION - CALIFORNIA
HO 04 46	10 00	INFLATION GUARD
HO 04 96	10 00	NO SECTION II - LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS LIMITED SECTION I PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS
HO 24 82	10 00	PERSONAL INJURY
HO 24 90	08 01	CALIFORNIA WORKERS COMPENSATION RESIDENCE EMPLOYEES
HOIV 1008	02 04	HAZARDOUS SUBSTANCE LIABILITY EXCLUSION
HOIV 1009	03 15	ANIMAL LIABILITY
HOIV 2006	06 08	PROTECTION PLUS ENDORSEMENT
HOIV 2008	02 04	EXTENDED REPLACEMENT COST
HOIV 2010	02 04	HOMEOWNERS - REPLACEMENT COST ENDT - PERSONAL PROPERTY
HOIV 2011	02 04	PROTECTION DEVICES OR SECURITY MEASURES
HOIV 2315	02 04	FUNGUS RUST WET OR DRY ROT OR BACTERIA LIMITED COVERAGE

If you have chosen the Scheduled Personal Property Endorsement, please refer to that section which appears later in these policy declarations.

PREMIUM INFORMATION

BASIC PREMIUM	\$ 1,633
---------------	----------

TOTAL PREMIUM	\$ 1,633
---------------	----------

POLICY CREDITS

Included in the above premium are the following credits:

Protective Device Discount	Private Passenger Companion Credit
----------------------------	------------------------------------

MORTGAGEE/ADDITIONAL INSURED/ADDITIONAL INTERESTS

Mortgagee
J.P. Morgan Chase Bank, NA ISAOA/ATIMA
PO Box 100564
Florence, SC 29502
Loan#: 0634346266

RATING INFORMATION

RISK STATE CA	OCCUPANCY PRIMARY	COUNTY BUTTE	ZIP CODE 95969	FAMILIES 1	CONSTRUCTION FRAME	YEAR 2005
FEET TO HYDRANT 0-500	MILES TO STATION 0-5	PROTECTION CLASS 2		ROOF TYPE Asphalt/Shingle	ROOF AGE 12	
PRIMARY HEATING SOURCE NATURAL GAS		RATING DATE 12-04-2017				

Includes Copyrighted Material of Insurance Services Office, Inc. with its permission
Copyright, Insurance Services Office, Inc. 1988-2019

IMPORTANT NOTICES

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

The following endorsement applies to your policy.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

**SPECIAL PROVISIONS – CALIFORNIA
HO 01 04 09 06**

NOTICE

Throughout this policy, the term spouse includes an individual registered under California law as a domestic partner with the "named insured" shown in the Declarations.

SECTION I – EXCLUSIONS

8. Intentional Loss

The following paragraph is added:

This exclusion does not apply, with respect to loss to covered property caused by fire, to an "insured" who does not commit or conspire to commit, any act that results in loss by fire. We cover such "insured" only to the extent of that "insured's" legal interest, but not exceeding the applicable limit of liability.

We may apply reasonable standards of proof to claims for such loss.

(This is Exclusion A.8. in Forms HO 00 03 and HO 00 05.)

SECTION I – CONDITIONS

C. Loss Settlement

Paragraph 2.e. is replaced by the following:

In Forms HO 00 02, HO 00 03 and HO 00 05

Paragraph 2.e. is replaced by the following:

e. We must be notified within:

- (1) 24 months after our payment for actual cash value if the loss or damage relates to a state of emergency under California Law; or
- (2) 12 months after our payment for actual cash value in all other cases;

that you intend to repair or replace the damaged property.

In Form HO 00 08, Paragraph 2.a. is replaced by the following:

- a. If you repair or replace the loss to restore the building structure for the same occupancy and use at the same site within:

- (1) 24 months of the date of the loss if the loss or damage relates to a state of emergency under California Law; or
- (2) 12 months of the date of the loss in all other cases;
we will pay the lesser of the following amounts:
- (3) The limit of liability that applies to the damaged or destroyed building structure; or
- (4) The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.

E. Appraisal is replaced by the following:

E. Appraisal

If you and we fail to agree on the amount of loss, then, either party may make a written request for an appraisal. In this event, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. Where the request is accepted, the two appraisers will select a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will appraise the loss, stating separately the loss to each item. If they fail to agree, they will submit their differences to the umpire. An award in writing, agreed to by any two, will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

G. Suit Against Us is replaced by the following:

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within one year after the date of loss.

I. Loss Payment is replaced by the following:

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

- a. Reach an agreement with you;
- b. There is an entry of a final judgment; or
- c. There is a filing of an appraisal award with us.

Q. Concealment Or Fraud is replaced by the following:

Q. Concealment Or Fraud

1. With respect to loss caused by fire, we do not provide coverage to the "insured" who has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements; relating to this insurance.

2. With respect to loss caused by a peril other than fire, we provide coverage to no "insureds" under this policy, if whether before or after a loss, an "insured" has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements; relating to this insurance.

(This is Condition P. in Form HO 00 04.)

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraphs 2.b., 2.c., 2.d., and 4. are replaced by the following:

b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason, except as provided below, by letting you know at least 20 days before the date cancellation takes effect.

We may not cancel this policy solely because:

- (1) You accepted an offer of earthquake coverage;
- (2) Corrosive soil conditions exist on the "residence premises". This Provision (2) applies only if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
 - (a) Homeowners 3 – Special Form;
 - (b) Homeowners 5 – Comprehensive Form;
 - (c) Special Personal Property Coverage Endorsement;
 - (d) Unit-Owners Coverage A Endorsement; or
 - (e) Unit-Owners Coverage C Endorsement; or
- (3) You cancelled or did not renew an earthquake policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we may cancel this policy if you have accepted a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

However, in the event of a total loss to the "residence premises", we will not cancel while any structure at that location is being rebuilt except for the reasons stated in Paragraphs 2.a. and 2.c. of this Condition C. Cancellation.

c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may only cancel if there has been:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- (1) Conviction of a crime having as one of its necessary elements an act increasing the hazard insured against; or
 - (2) Discovery of fraud or material misrepresentation; by:
 - (a) Any "insured" or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy; or
 - (3) Discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
 - (4) Physical changes in the property insured against which result in the property becoming uninsurable. However, we may not cancel this policy solely because:
 - (a) Physical changes occur due to a total loss; or
 - (b) Corrosive soil conditions exist on the "residence premises" if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
 - (i) Homeowners 3 -- Special Form;
 - (ii) Homeowners 5 -- Comprehensive Form;
 - (iii) Special Personal Property Coverage Endorsement;
 - (iv) Unit-Owners Coverage A Endorsement; or
 - (v) Unit-Owners Coverage C Endorsement; or
 - (5) Acceptance of a new or renewal policy, issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.
- d. When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 45 days before the date cancellation takes effect.
4. If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 days after we send the cancellation notice to you. If, when you cancel this policy, the return premium is not refunded when this policy is returned to us, we will refund it within 25 days of the date when we receive your notice of cancellation.

D. Nonrenewal is replaced by the following:

D. Nonrenewal

- 1. We may elect not to renew this policy, subject to the provisions of 2. below. We may do so by delivering to you at your mailing address shown in the Declarations, written notice at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.
- 2. We will not refuse to renew this policy:
 - a. Solely because you accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew this policy after you have accepted an offer of earthquake coverage if one or more of the following reasons apply:

 - (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

This can be done by notifying you at least 30 days before the date cancellation takes effect.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
- (3) We have:
- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and
- the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.
- b. Solely because you cancelled or did not renew an earthquake policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge;
- c. Solely because corrosive soil conditions exist on the "residence premises". This Provision c. applies only if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
- (1) Homeowners 3 – Special Form;
 - (2) Homeowners 5 – Comprehensive Form;
 - (3) Special Personal Property Coverage Endorsement;
 - (4) Unit-Owners Coverage A Endorsement; or
 - (5) Unit-Owners Coverage C Endorsement; or

d. Solely on the grounds that a claim is pending under the policy unless such claim is made under coverage for loss caused by an earthquake; or

e. Solely on the basis of an "insured's" age.

3. If this policy is written for a period of less than one year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.

All other provisions of this policy apply.

The following endorsement applies to your policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WORKERS COMPENSATION RESIDENCE
EMPLOYEES – CALIFORNIA
HO 24 90 08 01**

A. Agreement

We agree, with respect to "residence employees":

UNDER COVERAGE I

To pay when due all benefits required of an "insured" by the California Workers' Compensation Law; and

UNDER COVERAGE II

To pay on behalf of an "insured" all damages for which the "insured" is legally liable because of "bodily injury" sustained by a "residence employee". The "bodily injury" must be caused by accident or disease and arise out of and in the course of employment by the "insured" while:

1. In the United States of America, its territories or possessions, or Canada, or
2. Temporarily elsewhere if the "residence employee" is a citizen or resident of the United States or Canada.

Coverage II does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

B. Who Is Covered

A "residence employee" is covered if during the 90 calendar days immediately before the date of injury the employee has:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- a. Actually been engaged in such employment by the "insured" for no less than 52 hours, and
- b. Earned no less than one hundred dollars (\$100) in wages.

C. Application Of Coverage

This insurance applies only to "bodily injury" which occurs during the policy period. If the "bodily injury" is a disease, it must be caused or aggravated by the conditions of the "residence employee's" employment by the "insured".

D. Policy Provisions

This insurance is subject to all the provisions of this endorsement and the following provisions of this policy:

1. Under Sections I and II – Conditions:

- B. Waiver Or Change Of Policy Provisions

- C. Cancellation

- E. Assignment

- F. Subrogation

2. Under Section II – Conditions:

- C. Duties After "Occurrence"

- F. Suit Against Us

3. Under Section II – Liability Coverages, our agreement to defend an "insured" as provided under A. Coverage E – Personal Liability.**4. Under Section II – Additional Coverages:**

- A. Claim Expenses.

- B. First Aid Expenses.

5. The definitions of "bodily injury", "business", "insured" and "residence employee".**E. Additional Provisions Applicable To Coverage I**

The following provisions are applicable to Coverage I:

- 1. We shall be directly and primarily liable to any "residence employee" of an "insured" entitled to the benefits of the California Workers' Compensation Law.
- 2. As between the "residence employee" and us, notice to or knowledge of the "occurrence" of the injury on the part of an "insured" will be deemed notice or knowledge on our part.

- 3. The jurisdiction of an "insured" will, for the purpose of the law imposing liability for compensation, be our jurisdiction.

- 4. We will be subject to the orders, findings, decisions or awards rendered against an "insured", under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an "insured" and us as to payments by either in discharge or an "insured's" liability for compensation.

- 5. The "residence employee" has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the "residence employee", we will pay it directly to the "residence employee". Your obligation to the "residence employee" will be discharged to the extent of such payment.

F. Limits Of Liability Coverage II

Our total limit of liability will not exceed \$100,000 for all damages because of "bodily injury":

- 1. Sustained by one or more "residence employees" in any one accident; or
- 2. Caused by disease and sustained by a "residence employee".

Our total limit of liability will not exceed \$500,000 for all damages arising out of "bodily injury" by disease regardless of the number of "residence employees" who sustain "bodily injury" by disease.

G. Other Insurance

This insurance does not apply to any loss to which other valid and collectible Workers' Compensation or Employers' Liability Insurance applies.

H. Conformity To Statute

Terms of this insurance which are in conflict with the California Workers' Compensation Law are amended to conform to that law.

I. Exclusions

This policy does not apply:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

1. To liability for additional compensation imposed on an "insured" under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of the serious and willful misconduct of an "insured", or because of "bodily injury" to an employee under 16 years of age and illegally employed at the time of injury;
2. To liability for "bodily injury" arising out of "business" pursuits of an "insured".
3. Under Coverage II:
 - a. To liability assumed by the "insured" under any contract or agreement.
 - b. To "bodily injury" by disease unless a written claim is made or suit brought against the "insured" within 36 months after the end of the policy period.
 - c. To any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.
- c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
- d. The rendering of home day care services to a relative of an "insured".

B. If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".

C. If home day care service is not a given "insured's" trade, profession or occupation but is an activity:

1. That an "insured" engages in for money or other compensation; and
2. From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;

the home day care service and other activity will be considered a "business".

D. With respect to C. above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:

1. Described in A.2. above, and
2. Engaged in for money by a single "insured";

may be considered a "business" if the \$2000 threshold is exceeded.

E. With respect to A. through D. above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:

1. Does not provide:
 - a. Section II coverages. This is because a "business" of an "insured" is excluded under E.2. of Section II – Exclusions;
 - b. Coverage, under Section I, for other structures from which any "business" is conducted; and
2. Limits Section I coverage, under Coverage C – Special Limits of Liability, for "business" property:

The following endorsement applies to your policy.

NO SECTION II – LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS

LIMITED SECTION I – PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS
HO 04 96 10 00

- A. "Business", as defined in the policy, means:
1. A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
 2. Any other activity engaged in for money or other compensation, except the following:
 - a. One or more activities:
 - (1) Not described in b. through d. below; and
 - (2) For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;
 - b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category h. (e. in Form HO 00 08) imposes that limit on "business" property on the "residence premises";
- b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category i. (f. in Form HO 00 08) imposes that limit on "business" property away from the "residence premises". Category i. does not apply to property described in Categories j. and k. (g. and h. respectively in Form HO 00 08).

The following endorsement applies to your policy.

INFLATION PROTECTION COVERAGE
HO 04 46 10 00

An annual inflation factor will be applied to Coverage A, B, C and D, reflecting the increase in building costs for the location of the dwelling.

The following endorsement applies to your policy.

THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.

ANIMAL LIABILITY – HOIV 1009 03 15

We pay for:

1. Any "bodily injury or "property damage" arising out of any "occurrence" involving any animal owned by, or in the care, custody, or control of the "insured" or any member of the insured's family or household, or
2. Any other loss or exposure arising out of any "occurrence" involving any animal owned by, or in the care, custody, or control of the "insured" or any member of the insured's family or household.

All other provisions of this policy apply.

The following endorsement applies to your policy.

THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.

HAZARDOUS SUBSTANCE LIABILITY
EXCLUSION
HOIV 1008 02 04

The following EXCLUSION applies to all coverages:

We do not pay for:

1. any "bodily injury" or "property damage" arising out of contact or exposure to "hazardous substances", or
2. any other loss or expense arising out of contact or exposure to "hazardous substances".

Definition: "Hazardous substances" 1) asbestos; 2) benzene; 3) gasoline; 4) any pollutants, toxins, chemical waste, nuclear waste; and 5) any other substance that causes or are alleged to cause injury or harm to a person or damage to property.

All other provisions of this policy apply.

The following endorsement applies to your policy.

CALIFORNIA NEW LOAN CREDIT
HOIV 2016 02 04

A premium credit is applicable to the policy to which this endorsement is attached in recognition of the inspection, appraisal and improvements to the property made in connection with the new loan to the named insured.

First and Second Year	5% credit
Third and Subsequent	0

The following endorsement applies to your policy if form number 438BFU NS (5-1-42) appears on the Declarations Page.

LENDER'S LOSS PAYABLE ENDORSEMENT
Form 438BFU NS (Rev. May 1, 1942)x

1. Loss or damage, if any, under this policy shall be paid to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated or suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.

3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty days (120) after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies

held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved:

Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

The following endorsement applies to your policy only if form number 372-NS (11-50) appears on the Declarations Page.

MORTGAGEE CLAUSE

Form number 372-NS (Nov. 1950)

Loss (if any) under this policy, on buildings only, shall be payable to the mortgagee(s), if named as payee(s) on the first page of this policy, as mortgagee(s) under any present or future mortgage upon the property described in and covered by this policy, as interest may appear and in order of precedence of said mortgages.

(A) The terms "Mortgage", "Mortgagee" and "Mortgagor" whenever used in this rider shall be deemed to include deeds of trust and the respective parties thereto. (B) This insurance, as to the interest of the mortgagee only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the described property, nor by the use of the premises for purposes more hazardous than are permitted by the policy. (C) Any mortgagee who shall have or acquire knowledge that the premises are being used for purposes more hazardous than are permitted by this policy, or that the premises have been vacant or unoccupied beyond the period permitted by this policy shall forthwith notify this company thereof and shall cause the consent of the company thereto to be noted on this policy; and in the event of failure so to do, all rights of such mortgagee hereunder shall forthwith terminate. (D) In case the mortgagor or owner shall fail to pay any premium due or to become due under this policy, the mortgagee hereby covenants and agrees to pay the same on demand. The mortgagee also covenants and agrees to pay on demand the premium for any increased hazard for the term of the existence thereof. (E) This company shall not be liable to the mortgagee for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved under policies issued to, held by, or payable to the mortgage, whether collectible or not. (F) The policy provisions relating to "mortgagee interest and obligations" are specifically referred to and made part of this rider.

The following endorsement applies to your policy only if form HOIV 2005 0204 appears on the Declarations Page.

**MORTGAGE PAYMENT PROTECTION
ENDORSEMENT
HOIV 2005 0204**

If a loss covered under Section I of this policy makes YOUR RESIDENCE uninhabitable as determined by a civil authority for a period in excess of 45 day, WE will pay OUR regular monthly mortgage payment which is secured by a first deed of trust. This

payment will be limited to a maximum of \$1,500 per month and will not include any delinquencies, foreclosure costs or late penalties.

This payment will be made for each 30 day period of Pro-Rata Portion if less than 30 days YOUR RESIDENCE is uninhabitable, EXCLUDING THE FIRST 45 DAY PERIOD.

Payment shall be for the shortest of:

1. The time required to repair or replace the premises, or
2. 90 days, from the date the disaster renders the residential dwelling uninhabitable, unless reconstruction or rebuilding has commenced, or
3. If YOU permanently relocate, the time required for YOUR household to settle elsewhere or
4. for twelve consecutive months.

The company has no liability under this policy unless the following conditions are existent at the time of loss:

1. The named insured has not defaulted in payment for a period exceeding the grace period provided in the encumbrance.
2. The name insured must be a resident of the residential dwelling on the day the disaster renders the residential dwelling uninhabitable.

This period of time is not limited by the expiration date of this Policy.

No deductible shall apply to this coverage.

Payment will be made directly to Mortgagee named in the declarations of this

All other provisions of this policy apply.

The following endorsement applies to your policy only if form number HOIV 2006 06 08 appears on the Declarations Page.

**PROTECTION PLUS ENDORSEMENT
HOIV 2006 06 08**

For an additional premium and subject to all the provisions of the policy, we agree that the following coverages and extensions of coverages are added to the policy.

SECTION I – PERILS INSURED AGAINST**A. Unscheduled Jewelry, Watches and Furs**

We insure against risk of direct loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones only if that loss is a physical loss to property; however, we do not insure loss:

1. excluded under Section I – Exclusions.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

2. Caused by:

- a. (1) wear and tear, marring, deterioration;
- (2) inherent vice, latent defect, mechanical breakdown;
- (3) smog, rust or other corrosion, fungus, mold, wet or dry rot, bacteria;
- (4) smoke from agricultural smudging or industrial operations;
- (5) discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.
Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (6) settling, shrinking, bulging or expansion, including resultant cracking of pavements or patios, foundations, walls, floors, roofs or ceilings;
- (7) birds, vermin, rodents, or insects; or
- (8) animals owned or kept by an insured.
- b. dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;
- c. destruction, confiscation or seizure by order of any government or public authority;
- d. acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones not excluded or excepted in this policy is covered.

other than bank notes, manuscripts, personal records, passports, tickets and stamps. The dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$2,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$2,500 on trailers or semitrailers not used with water-craft of all types.
- e. \$3,000 for loss by theft, misplacing or losing of jewelry, watches, furs, precious and semi-precious stones.
- f. \$4,000 for loss by theft of firearms and related equipment.
- g. \$5,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollow-ware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$5,000 on property, on the residence premises, used primarily for business purposes.
- i. \$500 on property, away from the residence premises, used primarily for business purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a motor vehicle, but only if the apparatus is equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.

- k. \$1,500 on electronic apparatus and accessories used primarily for business while away from the residence premises and not in or upon a motor vehicle. The apparatus must be equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.

SECTION I PROPERTY COVERAGE

B. Coverage C – Personal Property

The Special Limits of Liability provisions are replaced by the following:

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

- a. \$500 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$3,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

- I. \$10,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones and silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware while on the premises of any bank, trust company, safe deposit company or cold storage warehouse in which the property has been placed for safekeeping.

C. Coverage D – Loss of Use

Coverage is changed as follows:

1. **Additional Living Expense.** The following paragraph is added:
If a power outage caused by a Peril Insured Against makes the residence premises uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living. Payment shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, the shortest time required for your household to settle elsewhere. This period of time is limited to seven days. Coverage begins when the residence premises has been uninhabitable for 48 consecutive hours.

SECTION 1 EXCLUSION A.4. Power Failure does not apply to this coverage.

2. **Fair Rental Value.** The following paragraph is added:
If a power outage caused by a Peril Insured Against makes that part of the residence premises rented to others or held for rental by you uninhabitable, we cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental. This period of time is limited to seven days. Coverage begins when that part of the residence premises has been uninhabitable for 48 consecutive hours. Fair rental value shall not include any expense that does not continue while that part of the residence premises rented to or held for rental in uninhabitable.

SECTION 1 EXCLUSION A.4. Power Failure does not apply to this coverage.

3. **Prohibited Use.** The following paragraph is added:
If a civil authority prohibits you from use of the residence premises, we cover any

resulting Additional Living Expense and Fair Rental Value for a period not exceeding one week during which use is prohibited. Coverage begins after use has been prohibited 48 consecutive hours.

D. Additional Coverages

The following items are amended as indicated:

1. Debris Removal

Debris Removal provisions are replaced by the following:

We will pay your reasonable expense for the removal of:

1. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
2. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$1,000, for the removal from the residence premises of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree. This coverage is additional insurance.

4. Fire Department Service Charge.

Fire Department Service Charge provisions are replaced by the following:

We will pay up to \$750 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against.

This coverage is additional insurance. No deductible applies to this coverage.

6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.

The amount we will pay is increased from \$500 to \$3,000.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

The following Additional Coverages are added:

13. Refrigerated Products Coverage.

We will pay up to \$500 toward losses to the contents of deep freeze or refrigerator units provided that the loss occurs on the residence premises; is caused by power interruption or mechanical failure; and is not under the control of the insured. When you know about a loss to which this coverage may apply, you must use all reasonable means to protect the refrigerated products from further damage. If you do not, this coverage will not apply to the loss. This coverage is additional insurance. No deductible applies to this coverage.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

14. Personal Property Coverage Extension.

We will pay up to \$2,000 for damage to your personal property occurring while it is away from your residence premises caused by:

- a. flood (meaning rising water);
- b. earthquake;
- c. landslide; or
- d. collision or overturn of the conveyance in which your property is carried.

SECTION I EXCLUSIONS – A.2. Earth Movement and A.3. Water Damage do not apply to this Additional Coverage.

15. Lock Replacement Coverage.

We will pay up to \$250 for locks or cylinders which are replaced as a direct result of stolen keys. We and the police must be promptly notified of the theft. The locks must be replaced within 72 hours after the keys are stolen. Keys are those to buildings and structures at the residence premises. We do not cover locks used with any vehicle, watercraft, or aircraft. Keys given to custodian are not considered stolen. We will pay the amount spent to repair or replace the locks or cylinders with ones of like kind and quality.

This coverage is additional insurance. No deductible applied to this coverage.

SECTION II – LIABILITY COVERAGE

E. INCREASED SECTION II COVERAGE

The limit of liability for **Coverage E – Personal Liability** shown on the Declarations page is increased by \$100,000 not to exceed the occurrence limit of \$1,000,000.

The limit of liability for **Coverage F – Medical Payments to Others** shown on the Declarations page is increased by \$1,000.

F. PERSONAL INJURY COVERAGE

Under **Section II Liability Coverages – Coverage E Personal Liability**, the definition of bodily injury is amended to include personal injury.

“Personal injury” means injury arising out of one or more of the following offenses:

1. false arrest, detention or imprisonment, or malicious prosecution;
2. libel, slander or defamation of character; or
3. invasion of privacy wrongful eviction or wrongful entry.

Section II Exclusions do not apply to personal injury. **Personal Injury** insurance does not apply to:

1. liability assumed by the insured under any contract or agreement except any indemnity obligation assumed by the insured under a written contract directly relating to the ownership, maintenance or use of the premises;
2. injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any insured;
3. injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the insured;
4. injury arising out of the business pursuits of any insured; or
5. civic or public activities performed for by an insured.

Our limit of liability for this coverage will be the same that applies to Coverage E Personal Liability.

SECTION II LIABILITY EXCLUSIONS

G. OUTBOARD MOTOR EXTENSION OF COVERAGE

Under **Section II – Exclusions**, the description of watercraft to which the exclusion does not apply is deleted and replaced by the following. Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an insured. This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less.
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

an insured;

- (c) One of more outboard engines or motors with 50 total horsepower or less;
 - (d) One or more outboard engines or motors with more than 50 total horsepower if the outboard engine or motor is not owned by an insured;
 - (e) Outboard engines or motors of more than 50 total horsepower owned by an insured if:
 - (i) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - (ii) You acquire them during the policy period.
- This coverage applies for the policy period.
- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned by or rented to an insured;
 - (3) That are stored.

H. PROPERTY DAMAGE TO PROPERTY OCCUPIED OR USED BY OR IN THE CARE OF THE INSURED

Under Section II – Exclusions, Exclusion F – Coverage E – Personal Liability, Subparagraph 3. is deleted and replaced by:

- 3. **Property Damage to property occupied or used by or in the care of insured.** This exclusion does not apply to property damage caused by fire, smoke, explosion or accidental discharge or overflow of water or steam from within household appliance or from rain or snow. If the property is in the residence premises and such damage is a result of the direct force of wind or hail to the building which caused an opening in a roof or wall and the rain or snow enters through this opening, then coverage does not apply.

All other provisions of this policy apply.

The following endorsement applies to your policy only if form number HOIV 2007 06 08 appears on the Declarations Page.

PROTECTION PLUS SUPERIOR ENDORSEMENT HOIV 2007 06 08

For an additional premium and subject to all the provisions of the policy, we agree that the following coverages and extensions of coverages are added to

the policy.

SECTION I – PERILS INSURED AGAINST

A. Unscheduled Jewelry, Watches and Furs

We insure against risk of direct loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones only if that loss is a physical loss to property; however, we do not insure loss:

1. excluded under Section I – Exclusions.
2. Caused by:
 - a. (1) Wear and tear, marring, deterioration;
 - (2) inherent vice, latent defect, mechanical breakdown;
3. smog, rust or other corrosion, fungus, mold, wet or dry rot, bacteria;
4. smoke from agricultural smudging or industrial operations;
5. discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

Waste included materials to be recycled, reconditioned or reclaimed;
6. settling, shrinking, bulging or expansion, including resultant cracking of pavements or patios; foundations, walls, floors, roofs or ceilings;
7. birds, vermin, rodent or insects; or animals owned or kept by an insured.
- b. dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;
- c. destruction, confiscation or seizure by order of any authority;
- d. acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss to Unscheduled Jewelry, Watches, Furs and Precious and Semi-Precious Stones not excluded or excepted in this policy is covered.

SECTION I – PROPERTY COVERAGE

B. Coverage C – Personal Property

The Special Limits of Liability provisions are replaced by the following:

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

the total limit for each loss for all property in that category.

- a. \$500 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$5,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. The dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.
This limit includes the cost to research, replace or restore the information from the lost or damaged material.
- c. \$2,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$2,500 on trailers or semitrailers not used with water-craft of all types.
- e. \$5,000 for loss by theft, misplacing or losing of jewelry, watches, furs, precious and semi-precious stones.
- f. \$5,000 for loss by theft of firearms and related equipment.
- g. \$10,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollow-ware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$5,000 on property, on the residence premises, used primarily for business purposes.
- i. \$1,000 on property, away from the residence premises, used primarily for business purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a motor vehicle, but only if the apparatus is equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be

used with any apparatus described in this Category j.

- k. \$1,500 on electronic apparatus and accessories used primarily for business while away from the residence premises and not in or upon a motor vehicle. The apparatus must be equipped to be operated by power from the motor vehicle's electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

- 12. \$50,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones and silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware while on the premises of any bank, trust company, safe deposit company or cold storage warehouse in which the property has been placed for safekeeping.

C. Coverage D – Loss of Use

Coverage is changed as follows:

- 1. **Additional Living Expense.** The following paragraph is added:
If a power outage caused by a Peril Insured Against makes the residence premises uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living. Payment shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, the shortest time required for your household to settle elsewhere. This period of time is limited to seven days. Coverage begins when the residence premises has been uninhabitable for 48 consecutive hours.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

- 2. **Fair Rental Value.** The following paragraph is added:

If a power outage is caused by a Peril Insured Against makes that part of the residence premises rented to others or held for rental by you uninhabitable, we cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental. This period of time is limited to seven days. Coverage begins when that part of the residence premises has been uninhabitable for 48 consecutive hours. Fair rental value

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

shall not include any expense that does not continue while that part of the residence premises rented to or held for rental is uninhabitable.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

3. **Prohibited Use.** The following paragraph is added:

If a civil authority prohibits you from use of the residence premises, we cover any resulting Additional Living Expense and Fair Rental Value for a period not exceeding one week during which use is prohibited. Coverage begins after use has been prohibited 48 consecutive hours.

D. Additional Coverages

The following items are amended as indicated:

1. **Debris Removal**

Debris Removal provisions are replaced by the following:

We will pay your reasonable expense for removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$1,000 for the removal from the residence premises of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree. This coverage is additional insurance.

4. **Fire Department Service Charge.**

Fire Department Service Charge provisions are replaced by the following:

We will pay up to \$750 for your liability

assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against.

This coverage is additional insurance. No deductible applies to this coverage.

6. **Credit Card Fund Transfer Card, Forgery and Counterfeit Money.**

The amount we will pay is increased from \$500 to \$3,000.

The following Additional Coverages are added:

12. **Refrigerated Products Coverage.**

We will pay up to \$500 toward losses to the contents of deep freeze or refrigerator units provided that the loss occurs on the residence premises; is caused by power interruption or mechanical failure; and is not under the control of the insured. When you know about a loss to which this coverage may apply, you must use all reasonable means to protect the refrigerated products from further damage. If you do not, this coverage will not apply to the loss.

This coverage is additional insurance. No deductible applies to this coverage.

SECTION I EXCLUSION A.4. Power Failure does not apply to this coverage.

13. **Personal Property Coverage Extension.**

We will pay up to \$2,000 for damage to your personal property occurring while it is away from your residence premises caused by:

- e. flood (meaning rising water);
- f. earthquake;
- g. landslide; or
- h. collision or overturn of the conveyance in which your property is carried.

SECTION I EXCLUSIONS – A.2. Earth Movement and 1.c. Water Damage do not apply to this Additional Coverage.

14. **Lock Replacement Coverage.**

We will pay up to \$250 for locks or cylinders which are replaced as a direct result of stolen keys. We and the police must be promptly notified of the theft. The locks must be replaced within 72 hours after the keys are stolen. Keys are those to buildings and structures at the residence premises. We do not cover locks used with any vehicle, watercraft or aircraft. Keys given to a

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

custodian are not considered stolen. We will pay the amount spent to repair or replace the locks or cylinders with ones of like kind and quality.

This coverage is additional insurance. No deductible applies to this coverage.

SECTION II – LIABILITY COVERAGE

E. INCREASED SECTION II COVERAGE

The limit of liability for **Coverage E – Personal Liability** shown on the Declarations page is increased by \$100,000 not to exceed the occurrence limit of \$1,000,000.

The limit of liability for **Coverage F – Medical Payments to Others** shown on the Declarations page is increased by \$1,000.

F. PERSONAL INJURY COVERAGE

Under **Section II Liability Coverages – Coverage E Personal Liability**, the definition of bodily injury is amended to include **personal injury**.

"**Personal injury**" means injury arising out of one or more of the following offenses:

- (a) False arrest, detention or imprisonment, or malicious prosecution;
- (b) Libel, slander or defamation of character; or
- (c) Invasion of privacy, wrongful eviction or wrongful entry.

Section II Exclusions do not apply to personal injury. **Personal injury** insurance does not apply to:

- a. Liability assumed by the insured under any contract or agreement except any indemnity obligation assumed by the insured under a written contract directly relating to the ownership, maintenance or use of the premises;
- b. Injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any **insured**;
- c. Injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the **insured**;
- d. Injury arising out of the **business** pursuits of any **insured**; or
- e. Civic or public activities performed for by an **insured**.

Our limit of liability for this coverage will be the same that applies to Coverage E Personal Liability.

SECTION II LIABILITY EXCLUSIONS

G. OUTBOARD MOTOR EXTENSION OF COVERAGE

Under **Section II – Exclusions**, the description of watercraft to which the exclusion does not apply is deleted and replaced by the following:

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an **insured**. This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less.
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an **insured**;
 - (c) One or more outboard engines or motors with 50 total horsepower or less;
 - (d) One or more outboard engines or motors with more than 50 total horsepower if the outboard engine or motor is not owned by an **insured**;
 - (e) Outboard engines or motors of more than 50 total horsepower owned by an **insured** if:
 - (i) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - (ii) You acquire them during the policy period.

This coverage applies for the policy period.

- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned or rented to an **insured**;
- (3) That are stored.

H. PROPERTY DAMAGE TO PROPERTY OCCUPIED OR USED BY OR IN THE CARE OF INSURED

Under **Section II – Exclusions**, **Exclusion F. – Coverage E – Personal Liability**, Subparagraph 3. is deleted and replaced by:

- 3. **Property Damage** to property occupied or used by or in the care of the **insured**. This exclusion does not apply to **property damage** caused by fire, smoke, explosion or

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

accidental discharge or overflow of water or steam from within household appliance or from rain or snow. If the property is in the residence premises and such damage is a result of the direct force of wind or hail to the building which caused an opening in a roof or wall and the rain or snow enters through this opening, then coverage does apply.

All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2008 02 04 appears on the Declarations Page.

**EXTENDED REPLACEMENT COST
ENDORSEMENT
HOIV 2008 02 04**

If you agree, as part of this Replacement Cost option, to:

- A. Insure the dwelling to 100% of its full replacement cost and permit us to re-calculate the replacement cost on a periodic basis;
- B. Maintain coverage on the dwelling at 100% of its full replacement cost by paying renewal premiums computed to reflect the then current replacement cost. The current replacement cost of the dwelling will be based on residential construction cost index provided to us by a major appraisal company;
- C. Report to us, within 60 days, any improvements to the dwelling. If you do not, and the full replacement cost of these improvements exceeds \$5,000 or 5% of the Coverage A limit shown on the Declarations page, whichever is greater, then the limit shown on the Declarations page will again become the maximum limit we will pay;
- D. Elect to repair or replace the damaged dwelling;

We agree that the limits of liability shown on the Declarations page are modified as follows:

A. Coverage A – Dwelling

We will increase the Coverage A limit of liability to equal the current replacement cost of the dwelling up to 150% of the Coverage A limit if the amount of loss to the dwelling is more than the limit of liability shown on the Declarations page.

The Coverage A limit shown on the Declarations page will be used to determine your premium only, except as otherwise stated in this endorsement.

B. Coverage B – Other Structures

When the amount of loss to Coverage A – Dwelling is more than the limit of liability shown on the Declarations page, we will also increase the limits of liability for Coverage B, by the same percentage as applied to Coverage A.

- C. If you comply with the provisions of this endorsement and there is a loss to the dwelling insured Under Coverage A, Section I – Conditions, Conditions 3. Loss Settlement paragraph b. will not apply to Coverage A – Dwelling. It is replaced by paragraphs b., c., d., and e. as follows:
 - b. The Dwelling under Coverage A at replacement cost without deduction for depreciation. We will pay the lesser of the following amounts for equivalent construction and use on the same premises:
 - (1) The replacement cost of the dwelling or any parts of it; or
 - (2) The amount actually spent to repair or replace the dwelling or any parts of it; or
 - (3) 150% of the limit of liability for Coverage A.
 - c. When the cost to repair or replace the damage is more than \$2,500 or more than 5% of the amount of insurance in this policy on the dwelling, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
 - d. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to the dwelling on an actual cash value basis and then make claim within 180 days after loss for additional liability on a replacement cost basis.
 - e. Payment under this endorsement will not include any increased costs due to the enforcement of any ordinance or law.

This endorsement is void if you fail to comply with its provisions. All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2009 02 04 appears on the Declarations Page.

**FREEWAY ACCIDENTAL DEATH BENEFIT
HOIV 2009 02 04**

For an additional premium we will pay to the estate of the insured a Freeway Accidental Death Benefit of \$25,000 upon receipt of timely proof that:

1. The death of the insured was caused directly

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

and independently of all other causes from the bodily injury resulting solely from external, violent and accidental means while the insured was in a moving motor vehicle while on a freeway in the State of California.

2. The death occurred within 90 days after said bodily injury was suffered and before the termination of this endorsement.

EXCLUSIONS

The Freeway Accidental Death Benefit will not be payable if the injury or death resulted directly or indirectly from:

1. Suicide or attempted suicide while sane or insane;
2. Behavior contrary to medical advice;
3. Riding on or driving a motorcycle;
4. Engaging in an illegal occupation; or commission of a felony;
5. War or insurrection, declared or undeclared;
6. Service in the armed forces of any country;
7. The insured's being intoxicated or under the influence of alcohol, any drug, sedative or narcotic, voluntarily or involuntarily;
8. Participating in any speed contest;
9. Injury for which benefits are payable pursuant to other insurance coverage, workers' compensation or other employment benefits plan.

DEFINITIONS

When used in this endorsement, the following definitions apply:

1. "Freeway" is used as defined in California Vehicle Code section 332.
2. "Insured" means the principal named insured on the Declarations page and spouse, provided, however, that only one death benefit shall be payable under this endorsement.

This endorsement shall become a part of the Policy to which it is attached.

All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2010 02 04 appears on the Declarations Page.

HOMEOWNERS – REPLACEMENT COST ENDORSEMENT – PERSONAL PROPERTY HOIV 2010 02 04

1. We will settle losses to covered property of the following types:
 - a. personal property;

- b. carpeting;
 - c. domestic appliances;
 - d. awnings;
 - e. outdoor equipment and
 - f. outdoor antennas;
- whether or not attached to buildings at full replacement cost without deduction for depreciation subject to paragraph 3.

2. The following articles or classes of property separately described and specifically insured in this policy will also be settled in the same manner:
 - a. Jewelry;
 - b. Furs and garments trimmed with fur or consisting principally of fur;
 - c. Cameras, projection machines, films and related articles or equipment;
 - d. Musical equipment and related articles of equipment;
 - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, or smoking implements; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost Coverage will not apply to other classes of property separately described and specifically insured.

3. The following loss settlement procedure applies to all property insured under this endorsement:

We will pay not more than the smallest of the following amounts:

- a. The amount necessarily spent to:
 - (1) Replace the property; or
 - (2) Repair the property; or
- b. Any applicable limit of liability stated in this policy including:
 - (1) The limit of liability applying to Coverage C; and
 - (2) Any special limit of liability; and
 - (3) For loss to any item separately described and specifically insured in this policy the limit of liability applies to that item.

4. We will not settle losses as provided in this endorsement if:
 - a. The loss is to any of the following types of property:
 - (1) Property made obsolete or unusable for its originally intended purpose by its:
 - (a) age; or
 - (b) condition;
 - (2) Property which cannot be replaced because of its sentimental value;
 - (3) Property valuable because of its rarity or artistic merit, such as; paintings, etchings, pictures, tapestries, art glass

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

windows, valuable rugs; statuary; marbles; bronzes; antique furniture; rare books; antique silver; manuscripts; porcelains; rare glass; bric-a-brac;

- (4) Property valuable because of its age or history, such as; memorabilia; souvenirs; or collector's items.

- b. Actual repair or replacement is not completed.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HOIV 2011 02 04 appears on the Declarations Page.

**PROTECTION DEVICE OR SECURITY MEASURES
HOIV 2011 02 04**

For a premium credit, we acknowledge the existence of a fire protection or alarm system, automatic sprinkler system or other security measure approved by us on the "residence premises". You agree to maintain this system, device or security measure and to notify us promptly if any change is made to it or if the system, device or security measure is removed or discontinued.

The following endorsement applies to your policy only if the form number HO 04 48 10 00 appears on the Declarations Page.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

**OTHER STRUCTURES ON THE RESIDENCE
PREMISES - Increased Limits
HO 04 48 10 00**

We cover each structure that is:

1. On the "residence premises"; and
2. Described in the Declarations Page;

for the additional limit of liability shown for that structure.

The limit shown is in addition to the Coverage B limit of liability.

Each additional limit of liability shown applies only to that described structure.

All other provisions of this policy apply.

Description of Structure	Additional Limit of Liability
See Declarations	See Declarations

The following endorsement applies to your policy only if the form number HO 04 61 10 00 appears on the Declarations Page.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

**SCHEDULED PERSONAL PROPERTY
ENDORSEMENT
HO 04 61 10 00**

For an additional premium, we cover the classes of personal property indicated by an amount of insurance. This coverage is subject to the DEFINITIONS, SECTION I - CONDITIONS, SECTIONS I AND II - CONDITIONS and all provisions of this endorsement. The Section I deductible as shown on the Declarations Page does not apply to this coverage. The Amount of Insurance and Premium are shown on the attached SCHEDULE OF PERSONAL PROPERTY.

Class of Personal Property	
1.	Jewelry, as scheduled.
2.	Furs and garments trimmed with fur or consisting principally of fur, as scheduled.
3.	Cameras, projection machines, films and related articles of equipment, as listed.
4.	Musical instruments and related articles of equipment, as listed. You agree not to perform with these instruments for pay unless specifically provided under this policy.
5.	Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry.
6.	Golfer's equipment meaning golf clubs, golf clothing and golf equipment.
7.a.	Fine Arts, as scheduled. This premium is based on your statement that the property insured is located at the address indicated on the SCHEDULE OF PERSONAL PROPERTY.
7.b.	For an additional premium, paragraph 5.b. under Perils Insured Against is deleted only for the articles so indicated in the SCHEDULE OF PERSONAL PROPERTY
8.	Postage Stamps
9.	Rare and Current Coins

THE AMOUNTS SHOWN FOR EACH ITEM IN THE SCHEDULE ARE LIMITED BY CONDITION 2. LOSS SETTLEMENT BELOW.

NEWLY ACQUIRED PROPERTY - Jewelry, Furs, Cameras and Musical Instruments Only

We cover newly acquired property of a class of property already insured. The lesser of the following limits applies:

1. 25% of the amount of insurance for that class of property; or
2. \$10,000.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

When you acquire new property you must:

1. Report these objects to us within 30 days; and
2. Pay the additional premium from the date acquired.

NEWLY ACQUIRED FINE ARTS

When Fine Arts are scheduled, we cover objects of art acquired during the policy period for their actual cash value. However, we will pay no more than 25% of the amount of insurance for fine arts scheduled. For coverage to apply for newly acquired fine arts you must:

1. Report these objects to us within 90 days; and
2. Pay the additional premium from the date acquired.

PERILS INSURED AGAINST

We insure against risks of direct loss to property described only if that loss is a physical loss to property; however, we do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration or inherent vice.
2. Insects or vermin.
3. War, including the following and any consequence of any of the following:
 - a. Undeclared war, civil war, insurrection, rebellion or revolution;
 - b. Warlike act by a military force or military personnel; or
 - c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

4. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of Section I – Conditions.
5. If Fine Arts are covered:
 - a. Repairing, restoration or retouching process;
 - b. Breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. We cover loss by breakage if caused by:
 - (1) Fire or lightning;
 - (2) Explosion, aircraft or collision;
 - (3) Windstorm, earthquake or flood;
 - (4) Malicious damage or theft;
 - (5) Derailment or overturn of a conveyance.

We do not insure loss, from any cause, to property on exhibition at fair grounds or premises of national or international expositions unless the premises are covered by this policy.

6. If Postage Stamps or Rare and Current Coins collections are covered:
 - a. Fading, creasing, denting, scratching, tearing or thinning;
 - b. Transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation;
 - c. Being handled or worked on;

- d. The disappearance of individual stamps, coins or other articles unless the item is:
 - (1) Described and scheduled with a specific amount of insurance; or
 - (2) Mounted in a volume and the page it is attached to is also lost;

- e. Shipping by mail other than registered mail; or

However, we do not insure loss, from any cause, to property in the custody of transportation companies or not part of a stamp or coin collection.

TERRITORIAL LIMITS

We cover the property described worldwide.

SPECIAL PROVISIONS

1. Fine Arts: You agree that the covered property will be handled by competent packers.
2. Golfer's Equipment includes your other clothing while contained in a locker when you are playing golf. We cover golf balls for loss by fire or burglary provided there are visible marks of forcible entry into the building, room or locker.
3. Postage Stamps includes the following owned by or in the custody or control of the insured:
 - a. Due, envelope, official, revenue, match and medicine stamps;
 - b. Covers, locals, reprints, essays, proofs and other philatelic property; or
 - c. Books, pages and mounting of items in a. and b.
4. Rare and Current Coins includes the following owned by or in custody or control of the insured:
 - a. Medals, paper money, bank notes;
 - b. Tokens of money and other numismatic property; or
 - c. Coin albums, containers, frames, cards and display cabinets in use with such collection.

CONDITIONS

1. Loss Clause: The amount of insurance under this endorsement will not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.
2. Loss Settlement: Covered property losses are settled as follows:
 - a. Fine Arts
 - (1) We will pay the full amount shown for each scheduled article which is agreed to be the value of that article or property. At our request, you will surrender that article or property to us if not lost or stolen.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- (2) If the scheduled article or property is a pair or set, or consists of several parts when complete, we will pay the full amount shown in the Schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.
- (3) In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.
- (4) We will, at your request, sell back to you, at a price you and we agree upon, any class of property or scheduled article you surrendered to us to comply with the terms in (1), (2) or (3) above.
- b. Postage Stamps or Rare and Current Coin Collection -- in case of loss to any scheduled item, the amount to be paid will be determined in accordance with paragraph 2.c. Other Property.
- When coins or stamps are covered on a blanket basis, we will pay the cash market value at time of loss but not more than \$1,000 on any unscheduled coin collection nor more than \$250 for any one stamp, coin or individual article or any one pair, strip, block, series sheet, cover, frame or card.
- We will not pay a greater proportion of any loss on blanket property than the amount insured on blanket property bears to the cash market value at time of loss.
- c. Other Property -- the value of the property insured is not agreed upon but will be ascertained at the time of loss or damage. We will not pay more than the least of the following amounts:
- (1) The actual cash value of the property at the time of loss or damage;
 - (2) The amount for which the property could reasonably be expected to be repaired to its condition immediately prior to loss;
 - (3) The amount for which the article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or
 - (4) The amount of insurance.
3. Pair, set or parts other than fine arts:
- a. Loss to a pair or set.
In case of a loss to a pair or set we may elect to:
 - (1) Repair or replace any part to restore the pair or set to its value before the loss; or
 - (2) Pay the difference between actual cash value of the property as before and after the loss.
 - b. Parts

In case of a loss to any part of covered property, consisting of several parts when complete, we will pay for the value of the part lost or damaged.

The following endorsement applies to your policy only if the form number HOIV 2013 02 04 appears on the Declarations Page.

**PERSONAL COMPUTER COVERAGE
ENDORSEMENT
HOIV 2013 02 04**

AGREEMENT

For an additional premium, we agree to provide the insurance described in this attachment. This agreement applies only to loss to property insured which occurs during the period shown on the Declarations page. No deductible applies to this coverage.

DEFINITIONS

You, your and yours means the named insured shown on the declarations page and the spouse if a resident of the same household. We, us and our mean the company providing this insurance. In addition, certain words and phrases (printed in boldface) are defined terms.

1. **Computer Program** -- means data in the form of instructions used to direct electronic data processing equipment to perform a task.
2. **Computer System** -- means electronic data processing equipment; including its components. However, **computer system** does not include computer programs, other data, or media.
3. **Data** -- means facts, concepts, or instructions that are recorded on media.
4. **Media** -- means the material on which data is recorded, such as magnetic tapes, disc packs, floppy discs, or compact discs.
5. **Occurrence** -- means a loss to property insured caused by one or more perils we insure against.

PROPERTY INSURED

We cover each of the following for the limit of liability which is shown in each category.

1. **A Computer System** valued at no more than \$10,000.
2. **Computer Programs and media** purchased from a commercial source valued at no more than \$10,000.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

3. Data Recreation valued at no more than \$2,000.

Worldwide Coverage insurance provided by this attachment applies to loss which occurs anywhere in the world.

Perils Insured Against: We will pay for direct and accidental loss or damage to property insured from any peril not excluded under Exclusions – Losses Not Covered.

Exclusions – Losses Not Covered: This attachment does not insure against loss, damage or expense caused directly or indirectly by:

1. War
2. Nuclear Hazard
3. Misplacing or losing property. However, we do cover property which disappears from a know location when there is a reasonable presumption of theft
4. Static electricity, magnetic force, dust, sunlight, error or mishandling which damages data.
5. Dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail.
6. Wear and tear, vermin, deterioration, corrosion, or rust.
7. Any electric power supply other than 100-120 volt, 60 cycle alternating current
8. Any change in electric power supply (such as power surge, interruption or brown-out)
9. Error, omission or deficiency in design, specifications, materials or workmanship.

See Declarations page for details of Property Insured, Amount of Insurance and Premiums.

The following endorsement applies to your policy only if the form number HO 24 70 10 00 appears on the Declarations Page.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL RESIDENCE RENTED TO OTHERS
1, 2, 3 or 4 Families
HO 24 70 10 00

SECTION II

For an additional premium, under Coverage E – Personal Liability and Coverage F – Medical Payments to Others, the premises location and number of families listed on the Declarations Page are included in the definition of "insured location".

With respect to the premises listed on the Declaration Page, Exclusion 1.c. under Section II Exclusions – Coverage E – Personal Liability and Coverage F – Medical Payments to Others, does not apply.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 41 10 00 appears on the Declarations Page.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED
Residence Premises
HO 04 41 10 00

Name and Address of Person or Organization (See Declarations)

Interest (See Declarations).
Definition 5, which defines "insured" is extended to include the person or organization named above, but only with respect to:

SECTION I

Coverage A – Dwelling and Coverage B – Other Structures; and

SECTION II

Coverage E – Personal Liability and Coverage F – Medical Payments to Others but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises".

This coverage does not apply to "bodily injury" to an "employee", "residence employee" or a temporary employee furnished to the "insured" to substitute for a permanent "residence employee" arising out of or in the course of the employee's employment by the person or organization.

If we decide to cancel or not to renew this policy, the party named above will be notified in writing.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 40 10 00 appears on the Declarations Page.

STRUCTURES RENTED TO OTHERS - RESIDENCE PREMISES
HO 04 40 10 00

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

For an additional premium, we cover the structures described in the Schedule below which are:

1. On the "residence premises";
2. Rented or held for rental to any person not a tenant of the dwelling;
3. Used as a private residence.

SECTION I

We insure for direct physical loss to these structures caused by a Perils Insured Against for the limit of liability shown in the Schedule below that applies to the structure sustaining the loss.

Identification of Structures:	Limit of Liability:
See Declarations	See Declarations

SECTION II

Under Coverage E – Personal Liability and Coverage F – Medical Payments to Others, the structures listed above are included in the definition of "insured location".

With respect to the structures listed above, Exclusion E.2. under Section II Exclusions – Coverage E – Personal Liability and Coverage F – Medical Payments to Others does not apply.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 24 82 10 00 appears on the Declarations Page.

PERSONAL INJURY
HO 24 82 10 00

DEFINITIONS

The following definitions are added:

"Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral or written publication of material that violates a person's right of privacy.

"Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

However, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

SECTION II – LIABILITY COVERAGES**A. Coverage E – Personal Liability**

The following is added to Coverage E – Personal Liability:

Personal Injury Coverage

If a claim is made or suit is brought against an "insured" for damages resulting from an offense, defined under "personal injury", to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the offense has been exhausted by payment of a judgment or settlement.

SECTION II – EXCLUSIONS

With respect to the coverage provided by this endorsement, Section II – Exclusions is deleted and replaced by the following:

This insurance does not apply to:

1. "Personal Injury":
 - a. Caused by or at the direction of an "insured" with the knowledge that the act would violate the rights of another and would inflict "personal injury";
 - b. Arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
 - c. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - d. Arising out of a criminal act committed by or at the direction of an "insured";
 - e. Arising out of liability assumed by an "insured" under any contract or agreement except any indemnity obligation assumed by an "insured" under a written contract directly relating to the ownership maintenance or use of the premises;

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- f. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";
- g. Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured". This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

This exclusion does not apply to:

- (1) The rental or holding for rental of an "insured location";
 - (a) On an occasional basis if used only as a residence;
 - (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage; and
 - (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;
 - h. Arising out of civic or public activities performed for pay by an "insured";
 - i. To you or an "insured" as defined under Definition 5.a. or b.;
- This exclusion also applies to any claim made or suit brought against you or an "insured":
- (1) To repay; or
 - (2) Share damages with; or
- Another person who may be obligated to pay damages because of "personal injury" to an "insured"; or

- j. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- k. Arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria.

2. Any loss, cost or expense arising out of any:

- a. Request, demand or order that an "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants, "fungi", wet or dry rot, or bacteria; or
- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, clean up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants, "fungi", wet or dry rot, or bacteria.

SECTION II – ADDITIONAL COVERAGES

With respect to the coverage provided by this endorsement, Paragraph D. **Loss Assessment** is deleted and replaced by the following:

D. Loss Assessment

We will pay up to \$1000 for your share of loss assessment charged against you, as an owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of "personal injury" not excluded under this endorsement.

We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of "personal injury".

SECTION II – CONDITIONS

With respect to the coverage provided by this endorsement, Section II – Condition I. Policy Period does not apply and Conditions A. **Limit Of Liability**, B. **Severability Of Insurance** and C. **Duties After "Occurrence"** are deleted and replaced by the following:

A. Limit Of Liability

Our total liability under "Personal Injury" Coverage for all damages resulting from any one offense will not be more than the limit of liability shown in the Declarations for Coverage E. This limit is the same regardless of the number of "insureds", claims made or suits brought.

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one offense.

C. Duties After Offense

In the event of a covered offense, you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and "named insured";
 - b. Reasonably available information on the time, place and circumstances of the offense; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the offense;
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "personal injury".

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 42 10 00 appears on the Declarations Page.

**PERMITTED INCIDENTAL OCCUPANCIES -
RESIDENCE PREMISES
HO 04 42 10 00**

For an additional premium, we cover the following "business":

See Declarations for description

Conducted by an "insured" on the "residence premises" in:

See Declarations for description

SECTION I – PROPERTY COVERAGES

1. Coverage B – Other Structures (or coverage for other structures under Form HO 00 06) does not apply to the other structure described above.

We cover the other structure described above for direct physical loss by a Peril Insured Against for not more than:

Limit of Liability \$ *See Declarations for amount*

2. Coverage C – Personal Property, Special Limit of Liability 3.h. is deleted and replaced by the following:

h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes, other than furnishings, supplies and equipment of the "business" described above

The Coverage C limit of liability applies to property of the "business" described above.

SECTION II – EXCLUSIONS

1. Exclusion E.2. "Business" does not apply to the necessary or incidental use of the "residence premises" to conduct the "business" described above.
2. Coverage E – Personal Liability and Coverage F – Medical Payments To Others do not apply to "bodily injury" to any "employee" arising out of the "business" described above.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 24 71 10 00 appears on the Declarations Page.

**BUSINESS PURSUITS
HO 24 71 10 00**

SECTION II

For an additional premium, Coverage E – Personal Liability and Coverage F – Medical Payments to Others apply to the "business" pursuits of the "Insured" as stated:

Name

See Declarations for name of insured

Business

See Declarations for type of business

Liability for corporal punishment included

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

See Declarations to determine if corporal punishment coverage is included

SECTION II – LIABILITY COVERAGES

Coverage E – Personal Liability and Coverage F – Medical Payments to Others apply to the "business" pursuits of the "insured" named in the Schedule above.

SECTION II – EXCLUSIONS

Coverages E and F do not apply:

1. To "bodily injury" or "property damage" arising out of the "business" pursuits of the "insured" in connection with a "business" owned or financially controlled by the "insured" or by a partnership of which the "insured" is a partner or member;
2. To "bodily injury" or "property damage" arising out of the rendering of or failure to render professional services of any nature other than teaching, including but not limited to any:
 - a. Architectural, engineering or industrial design services;
 - b. Medical, surgical, dental or other services or treatment conducive to the health of persons or animals; and
 - c. Beauty or barber services or treatment;
3. To "bodily injury" to a fellow employee of the "insured" injured in the course of employment;
4. When the "insured" is a member of the faculty or teaching staff of any school or college:
 - a. To "bodily injury" or "property damage" arising out of the ownership, maintenance, occupancy, operation, use, loading, unloading, of, or entrustment by the "insured" to any person of, or the failure to supervise or negligent supervision of any person involving:
 - (1) Draft or saddle animals or vehicles for use therewith;
 - (2) Aircraft;
 - (3) Hovercraft;
 - (4) "Motor vehicles"; or
 - (5) Watercraft;
 owned or operated, or hired by or for the "insured" or employer or used by the "insured" for the purpose of instruction in the use thereof; or
 - b. To "bodily injury" to any pupil arising out of corporal punishment administered by or at the direction of the "insured". This Exclusion 4.b. does not apply if the box in the Schedule is checked indicating that liability for corporal punishment is covered.

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 04 65 10 00 appears on the Declarations Page.

COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY
HO 04 65 10 00

For an additional premium, the Special Limits of Liability under Coverage C – Personal Property are increased as follows:

Property

- a. Money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- b. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- e. Jewelry, watches, furs, precious and semi-precious stones for loss by theft; but not more than \$1,000 for any one article.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- f. Firearms and related equipment for loss by theft.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

- g. Silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware for loss by theft.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

10. Electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Increase in Limit of Liability	Total Limit of Liability
<i>See Declarations</i>	<i>See Declarations</i>

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

11. Electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Increase in Limit of Liability Total Limit of Liability
See Declarations See Declarations

All other provisions of this policy apply.

The following endorsement applies to your policy only if the form number HO 24 75 10 00 appears on the Declarations Page.

WATERCRAFT
HO 24 75 10 00

- A. Watercraft with one or more outboard engines or motors of more than 25 total horsepower; or other watercraft with inboard or inboard-outdrive engines or motors:

Outboard Engine(s) or Motor(s) (A)	Inboard or Inboard- Outdrive Watercraft (B)
Description	See Declarations
Horsepower	See Declarations
Length of Watercraft	See Declarations
Outboard Engine or Motor	See Declarations
Owner (if not you)	See Declarations
Navigation Period: from/to (each year)	See Declarations

- B. Sailing vessel 26 feet or more overall length, with or without auxiliary power:

Description	See Declarations
Horsepower	See Declarations
Length of Watercraft	See Declarations
Navigation Period: from/to (each year)	See Declarations

SECTION II – LIABILITY COVERAGES

Coverage E – Personal Liability and Coverage F – Medical Payments To Others apply to "watercraft liability" involving a watercraft described in the Schedule above.

SECTION II – EXCLUSIONS

With respect to the watercraft described in the Schedule, Exclusion B. "Watercraft Liability" is deleted and replaced by the following:

B. "Watercraft Liability"

- Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence" the involved watercraft is being:
 - Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - Rented to others;
 - Used to carry persons or cargo for a charge; or
 - Used for any "business" purpose.
- Coverages E and F do not apply to "bodily injury" to any "employee" arising out of and in the course of employment by an "insured" if the employee's principal duties are in connection with the maintenance, operation or use of a watercraft described in the Schedule, that is:
 - A sailing vessel; or
 - Powered by an inboard or inboard-outdrive engine or motor, including those that power a water jet pump.

All other provisions of this policy apply.

The following endorsement applies only if form number HOIV 2315 02 04 appears on the Declarations Page.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, RUST, WET OR DRY ROT, OR BACTERIA LIMITED COVERAGE
HOIV 2315 02 04

DEFINITIONS

The following definition is added:

9. "Fungus" means: any type or form of fungi, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

ADDITIONAL COVERAGES

The following additional coverage is added:

11. "Fungus", Rust, Wet or dry Rot, or Bacteria
We will pay up to \$5,000 for:

CALIFORNIA HOMEOWNERS COMPOSITE ENDORSEMENT

- a. the direct physical loss to covered property caused by "fungus", rust, wet or dry rot or bacteria;
- b. the cost to remove "fungus", rust wet or dry rot or bacteria from covered property;
- c. the cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungus", rust, wet or dry rot or bacteria.
- d. The cost of any testing of air or property to confirm the absence, presence or level of "fungus", rust wet or dry rot or bacteria, whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe there is the presence of "fungus", rust, wet or dry rot or bacteria; and
- e. **Additional Living Expenses or Fair Rental Value** loss covered under Coverage D – **Loss of Use**. This coverage only applies when such loss or costs:
 1. are a result of a loss we cover that occurs during the policy period;
 2. are not excluded under Section I – Exclusions; and
 3. only if all reasonable means are used to save and preserve the property from further damage.

This coverage does not apply to loss to trees, shrubs, and other plants.

The \$5,000 limit of liability is the most we will pay for the total of all loss or costs for Coverages A, B, C and D, and does not increase the limit of liability for these coverages, regardless of the number of locations or number of claims made.

SECTION I – PERILS INSURED AGAINST

The following is changed:

2.e.(3) is deleted and replaced with the following:

(3) Smog, rust or other corrosion.

2.e.(g) is added:

(g) constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months, or years.

SECTION I – EXCLUSIONS

The following is added:

1.i. "Fungus", rust, wet or dry rot or bacteria meaning the presence, growth, proliferation or spread of fungus, rust, wet or dry rot, or bacteria. This exclusion does not apply to the extent coverage is provided for in the Additional Coverage 11, "Fungus", Rust Wet or Dry Rot or Bacteria under Section I Property Coverages.

SECTION II – LIABILITY COVERAGES

SECTION II – EXCLUSIONS

The following is added to:

1. **Coverage E – Personal Liability** and **Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

m. Arising out of:

- a. or is aggravated by or results from "fungus", rust, wet or dry rot or bacteria.
- b. in whole or in part, or is aggravated by or results from "fungus", rust, wet or dry rot or bacteria which is imposed upon any insured person by any governmental authority.

All other provisions of this policy apply.

SH PH 01 10 12

CONTACT INFORMATION NOTICE – CALIFORNIA

IF YOU HAVE ANY PROBLEMS OR
COMPLAINTS ABOUT YOUR POLICY
WHICH AFTER CONTACTING US OR
YOUR AGENT HAS FAILED TO
PRODUCE A SATISFACTORY
RESOLUTION, YOU MAY CONTACT THE:

California Department of Insurance
Consumer Service Division
Underwriting Services Bureau
300 South Spring Street
Los Angeles, CA 90013
1-800-927-4357 (in California only)

Case 2:22-cv-00560-MCE-DMC Document 1-3 Filed 03/28/22 Page 131 of 164

CALIFORNIA INSURANCE GUARANTEE ASSOCIATION SURCHARGE

Companies writing property and casualty insurance business in California are required to participate in the California Insurance Guarantee Association. If a company becomes insolvent the California Insurance Guarantee Association settles unpaid claims and assesses each insurance company for its fair share.

California law requires all companies to surcharge policies to recover these assessments. If your policy is surcharge, "CA Surcharge" with an amount will be displayed on your premium notice.

CACIGA 1001 01 03

POLICY NUMBER:	2004443487
NAME OF INSURED:	Larry Biegler

NOTICE TO CONSUMERS — CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

PRIMARY FORMS OF RESIDENTIAL DWELLING COVERAGE

You have purchased the coverage(s) checked below. **NOTE: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.**

☐ **ACTUAL CASH VALUE COVERAGE** pays the costs to repair the damaged dwelling minus a deduction for physical depreciation. If the dwelling is completely destroyed, this coverage pays the fair market value of the dwelling at time of loss. In either case, coverage only pays for costs up to the limits specified in your policy. This form of insurance applies to you **ONLY IF** you do not insure the dwelling to at least 80 percent of its replacement cost at the time of loss.

☐ **REPLACEMENT COST COVERAGE** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy. This form of insurance applies **UNLESS** form HOIV 2008 02 04 or DT002 appears on your Declarations Page.

☒ **X EXTENDED REPLACEMENT COST COVERAGE** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies. This form of insurance applies **IF** form HOIV 2008 02 04 or DT002 appears on your Declarations Page.

☐ **GUARANTEED REPLACEMENT COST COVERAGE** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page. This form of insurance is not available from our company.

☒ **X BUILDING CODE UPGRADE COVERAGE**, also called Ordinance and Law coverage, is an important option that covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply. This form of insurance applies to you **IF** form HO 04 77, DP 04 71 or DP 04 74 appears on your Declarations Page.

READ YOUR POLICY AND POLICY DECLARATIONS PAGE CAREFULLY: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

0000001524539400010152447920000020500203001900000100002

INFORMATION YOU SHOULD KNOW ABOUT RESIDENTIAL DWELLING INSURANCE

AVOID BEING UNDERINSURED: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

THE RESIDENTIAL DWELLING COVERAGE LIMIT: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

DEMAND SURGE: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

CHANGES TO PROPERTY: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

EXCLUSIONS: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

CONTENTS (PERSONAL PROPERTY) COVERAGE DISCLOSURE:

This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

CONSUMER ASSISTANCE

If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

I acknowledge the receipt of the California Residential Insurance Disclosure.

Signature

Date

HOMEOWNERS
HO 00 03 10 00

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

B. In addition, certain words and phrases are defined as follows:

1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in b. below, mean the following:

a. Liability for "bodily injury" or "property damage" arising out of the:

- (1) Ownership of such vehicle or craft by an "insured";
- (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
- (3) Entrustment of such vehicle or craft by an "insured" to any person;
- (4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
- (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purpose of this definition:

- (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
- (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- (3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
- (4) Motor vehicle means a "motor vehicle" as defined in 7. below.

2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

3. "Business" means:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an "insured".

4. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

5. "Insured" means:

- a. You and residents of your household who are:
 - (1) Your relatives; or
 - (2) Other persons under the age of 21 and in the care of any person named above;
- b. A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1) 24 and your relative; or
 - (2) 21 and in your care or the care of a person described in a.(1) above; or

c. Under Section II:

- (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in a. or b. above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
- (2) With respect to a "motor vehicle" to which this policy applies:
 - (a) Persons while engaged in your employment or that of any person included in a. or b. above; or
 - (b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

6. "Insured location" means:

- a. The "residence premises";
- b. The part of other premises, other structures and grounds used by you as a residence; and
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;
- c. Any premises used by you in connection with a premises described in a. and b. above;
- d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or

h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

7. "Motor vehicle" means:

- a. A self-propelled land or amphibious vehicle; or
- b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.

8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

- a. "Bodily injury"; or
- b. "Property damage".

9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.

10. "Residence employee" means:

- a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
- b. One who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

11. "Residence premises" means:

- a. The one family dwelling where you reside;
- b. The two, three or four family dwelling where you reside in at least one of the family units; or
- c. That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES**A. Coverage A – Dwelling****1. We cover:**

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
- b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

2. We do not cover land, including land on which the dwelling is located.**B. Coverage B – Other Structures****1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.****2. We do not cover:**

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.**C. Coverage C – Personal Property****1. Covered Property**

We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.
- k. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".
 - (1) This includes:
 - (a) Their accessories, equipment and parts; or
 - (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".
 - (2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:
 - (a) Used solely to service an "insured's" residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.
We do cover model or hobby aircraft not used or designed to carry people or cargo;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in E.6, Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages; or

k. Water or steam.

D. Coverage D – Loss Of Use

The limit of liability for Coverage D is the total limit for the coverages in 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use below.

1. Additional Living Expense

If a loss covered under Section I makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under Section I makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in 1. Additional Living Expense and 2. Fair Rental Value above for no more than two weeks.

4. Loss Or Expense Not Covered

We do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use above are not limited by expiration of this policy.

E. Additional Coverages

1. Debris Removal

- a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

- b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s):
- (3) Damage(s) a covered structure; or
- (4) Does not damage a covered structure, but:
 - (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
 - (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, described in B.4. under Section I – Conditions.

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional Insurance. No deductible applies to this coverage.

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

This coverage is additional insurance. No deductible applies to this coverage.

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
 - (a) By a resident of your household;
 - (b) By a person who has been entrusted with either type of card or access device; or
 - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or
- (2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. above applies, the following defense provisions also apply:

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.
- (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:

- (1) Earthquake; or
- (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph P. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) The Perils Insured Against named under Coverage C;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.

- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

9. Glass Or Safety Glazing Material

- a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered vacant.

c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

This coverage does not increase the limit of liability applying to the damaged property.

11. Ordinance Or Law

a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

12. Grave Markers

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

1. We insure against risk of direct physical loss to property described in Coverages A and B.

2. We do not insure, however, for loss:

- a. Excluded under Section I – Exclusions;
- b. Involving collapse, except as provided in E.8. Collapse under Section I – Property Coverages; or
- c. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:

(a) Maintain heat in the building; or

- (b) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
- (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
- (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment; or

- (6) Any of the following:

- (a) Wear and tear, marring, deterioration;
- (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
- (c) Smog, rust or other corrosion, or dry rot;
- (d) Smoke from agricultural smudging or industrial operations;
- (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
- (g) Birds, vermin, rodents, or insects; or
- (h) Animals owned or kept by an "insured".

Exception To c.(6)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a:

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

- (II) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

We do not cover loss to the system or appliance from which this water or steam escaped.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under c.(5) and (6) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism Or Malicious Mischief

9. Theft

- a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

- b. This peril does not include loss caused by theft:

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or
- (4) That occurs off the "residence premises" of:

- (a) Trailers, semitrailers and campers;
- (b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or
- (c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

10. Falling Objects

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
 - (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.
- However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

- A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion A.1.a. does not apply to the amount of coverage that may be provided for in E.11. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion A.1. applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;

- b. Landslide, mudslide or mudflow;
 - c. Subsidence or sinkhole; or
 - d. Any other earth movement including earth sinking, rising or shifting;
- caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion A.2. does not apply to loss by theft.

3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

7. Nuclear Hazard

This Exclusion A.7. pertains to Nuclear Hazard to the extent set forth in M. Nuclear Hazard Clause under Section I – Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage A, B or C by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

- B. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

- 1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in A. above to produce the loss.
- 2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- 3. Faulty, inadequate or defective:
 - a. Planning, zoning, development, surveying, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance;
 of part or all of any property whether on or off the "residence premises".

SECTION I – CONDITIONS**A. Insurable Interest And Limit Of Liability**

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

1. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
2. For more than the applicable limit of liability.

B. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in 6. above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages, stating the amount and cause of loss.

C. Loss Settlement

In this Condition C., the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in E.11. Ordinance Or Law under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;
 at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
- (1) The actual cash value of that part of the building damaged; or
 - (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
 - (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (3) Underground flues, pipes, wiring and drains.
- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in 2.a. and b. above.
- However, if the cost to repair or replace the damage is both:
- (1) Less than 5% of the amount of insurance in this policy on the building; and
 - (2) Less than \$2,500;
- we will settle the loss as noted in 2.a. and b. above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition C, Loss Settlement, provided you notify us of your intent to do so within 180 days after the date of loss.

D. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

E. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

F. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, properly restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within two years after the date of loss.

H. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

J. Abandonment Of Property

We need not accept any property abandoned by an "insured".

K. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs E. Appraisal, G. Suit Against Us and I. Loss Payment under Section I – Conditions also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

L. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

M. Nuclear Hazard Clause

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

N. Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

O. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72 hour period will be considered as one volcanic eruption.

P. Policy Period

This policy applies only to loss which occurs during the policy period.

Q. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;

2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

R. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service an "insured's" residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions B. 6.a., b., d., e. or h.; or
 - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;

- (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
- (c) Cross public roads at designated points to access other parts of the golfing facility; or
- (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "Insured's" residence.

B. "Watercraft Liability"

1. Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. If Exclusion B.1. does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
 - a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
 - c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

- (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:

(i) You declare them at policy inception; or

(ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion E.1. does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- b. This Exclusion E.2. does not apply to:

- (1) The rental or holding for rental of an "insured location";

- (a) On an occasional basis if used only as a residence;
 - (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
 - b. Rented to an "insured"; or
 - c. Rented to others by an "insured";
- that is not an "insured location";

5. War

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions A. "Motor Vehicle Liability", B. "Watercraft Liability", C. "Aircraft Liability", D. "Hovercraft Liability" and E.4. "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage E – Personal Liability

Coverage E does not apply to:

1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in D. Loss Assessment under Section II – Additional Coverages;
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";
 unless excluded in a. above or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

- a. Workers' compensation law;

- b. Non-occupational disability law; or
- c. Occupational disease law;
- 5. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;
 or any of their successors; or
 - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or
- 6. "Bodily injury" to you or an "insured" as defined under Definitions 5.a. or b.
 This exclusion also applies to any claim made or suit brought against you or an "insured":
 - a. To repay; or
 - b. Share damages with;
 another person who may be obligated to pay damages because of "bodily injury" to an "insured".
- G. Coverage F – Medical Payments To Others**
 Coverage F does not apply to "bodily injury":
 - 1. To a "residence employee" if the "bodily injury":
 - a. Occurs off the "insured location"; and
 - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
 - 2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
 - 3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or
 - c. Radioactive contamination;
 all whether controlled or uncontrolled or how-ever caused; or
 - d. Any consequence of any of these; or
 - 4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

A. Claim Expenses

We pay:

- 1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
- 2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
- 3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
- 4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

- 1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
- 2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section I;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F limit of liability shown in the Declarations.

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";

- c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
 - 5. With respect to C. Damage To Property Of Others under Section II – Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
 - 6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".
- D. Duties Of An Injured Person – Coverage F – Medical Payments To Others**
- 1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
 - 2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
- E. Payment Of Claim – Coverage F – Medical Payments To Others**
- Payment under this coverage is not an admission of liability by an "insured" or us.
- F. Suit Against Us**
- 1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
 - 2. No one will have the right to join us as a party to any action against an "insured".
 - 3. Also, no action with respect to Coverage E can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.
- G. Bankruptcy Of An "Insured"**
- Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.
- H. Other Insurance**
- This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
- I. Policy Period**
- This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

- 1. Intentionally concealed or misrepresented any material fact or circumstance;
 - 2. Engaged in fraudulent conduct; or
 - 3. Made false statements;
- relating to this insurance.

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- 1. A subsequent edition of this policy; or
- 2. An amendatory endorsement.

B. Waiver Or Change Of Policy Provisions

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

C. Cancellation

- 1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- 2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

- (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
- (2) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

E. Assignment

Assignment of this policy will not be valid unless we give our written consent.

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage F or Paragraph C. Damage To Property Of Others under Section II – Additional Coverages.

G. Death

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. "Insured" includes:
 - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
 - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE
STATE OF CALIFORNIA
SUPERIOR COURT OF CALIFORNIA – COUNTY OF BUTTE

BIEGLER v. NATIONAL GENERAL INSURANCE COMPANY, et al.

CASE NO. 21CV02703

I am employed in the County of San Diego, State of California. I am over the age of 18 and am not a party to the within action; my business address is 750 B Street, Suite 1760, San Diego, California 92101.

On January 17, 2022, I served the foregoing documents, described as:

FIRST AMENDED COMPLAINT

on all interested parties in this action by placing a true and correct copy thereof into the mail to:

William F. Zulch, Esq.
Lynn Rivera, Esq.
RESNICK AND LOUIS, P.C.
9891 Irvine Center Dr.,
Suite 200
Irvine, CA 92618

XX (By Mail) As follows:

I placed such envelope with postage thereon prepaid in the United States mail at San Diego, California.

I am readily familiar with the firm's practice of collecting and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with the postage thereon fully prepaid at San Diego, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation or postage meter date is more than one day after the date of deposit for mailing in affidavit.

XX (By ELECTRONIC MAIL) I sent such document via electronic mail to:

(STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Dated: January 17, 2022, San Diego California.

/s/ Dana Goss
Dana Goss

PROOF OF SERVICE

POS-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address) John T. Richards, Esq. SBN: SBN 159875 JOHN T. RICHARD, ESQ 750 B Street, Ste 1760 San Diego, CA 92101 TELEPHONE NO.: (619) 237-9800 FAX NO. E-MAIL ADDRESS ATTORNEY FOR (Name): Plaintiff:	FOR COURT USE ONLY <div style="display: flex; justify-content: space-between;"> F Superior Court of California F </div> <div style="display: flex; justify-content: space-between;"> I County of Butte I </div> <div style="display: flex; justify-content: space-between;"> L 3/1/2022 L </div> <div style="display: flex; justify-content: space-between;"> E E </div> <div style="display: flex; justify-content: space-between;"> D Sharif Elmalah, Clerk D </div> <div style="display: flex; justify-content: space-between;"> By <i>a. Snow</i> Deputy </div> <div style="display: flex; justify-content: space-between;"> Electronically FILED </div>
BUTTE COUNTY SUPERIOR COURT STREET ADDRESS: 1775 CONCORD AVENUE CITY AND ZIP CODE: CHICO, CA 95928 BRANCH NAME: CHICO	
PLAINTIFF/PETITIONER: LARRY BIEGLER, an individual, et al. DEFENDANT/RESPONDENT: NATIONAL GENERAL INSURANCE COMPANY, ET AL.	CASE NUMBER: 21CV02703
PROOF OF SERVICE OF SUMMONS	Ref. No. or File No.: Biegler

(Separate proof of service is required for each party served.)

1. At the time of service I was at least 18 years of age and not a party to this action.
2. I served copies of:
 - a. ☒ Summons
 - b. ☐ Complaint
 - c. ☐ Alternative Dispute Resolution (ADR) package
 - d. ☒ Civil Case Cover Sheet
 - e. ☐ Cross-Complaint
 - f. ☒ other (specify documents): **First Amended Complaint**
3. a. Party served (specify name of party as shown on documents served):
INTEGON NATIONAL NATIONAL INSURANCE COMPANY
- b. ☒ Person (other than the party in item 3a) served on behalf of an entity or as an authorized agent (and not a person under item 5b on whom substituted service was made) (specify name and relationship to the party named in item 3a):
SCOTT CURRY - AGENT FOR SERVICE
4. Address where the party was served: **3800 Concours Ste 200**
Ontario, CA 91764-7995
5. I served the party (check proper box)
 - a. ☐ **by personal service.** I personally delivered the documents listed in item 2 to the party or person authorized to receive service of process for the party (1) on (date): (2) at (time):
 - b. ☒ **by substituted service.** On (date): **2/25/2022** at (time): **12:27 PM** I left the documents listed in item 2 with or in the presence of (name and title or relationship to person indicated in item 3b):
Lucky Peris - Assistant Manager
Age: 36 - 40 | Weight: 161-180 Lbs | Hair: Black | Sex: Male | Height: 5'1 - 5'6 | Eyes: Brown | Race: Middle Eastern
- (1) ☒ **(business)** a person at least 18 years of age apparently in charge at the office or usual place of business of the person to be served. I informed him or her of the general nature of the papers.
- (2) ☐ **(home)** a competent member of the household (at least 18 years of age) at the dwelling house or usual place of abode of the party. I informed him or her of the general nature of the papers.
- (3) ☐ **(physical address unknown)** a person at least 18 years of age apparently in charge at the usual mailing address of the person to be served, other than a United States Postal Service post office box. I informed him or her of the general nature of the papers.
- (4) ☐ I thereafter mailed (by first-class, postage prepaid) copies of the documents to the person to be served at the place where the copies were left (Code Civ. Proc., §415.20). I mailed the documents on (date): from (city): or ☒ a declaration of mailing is attached.
- (5) ☐ I attach a **declaration of diligence** stating actions taken first to attempt personal service.

PETITIONER: LARRY BIEGLER, an individual, et al.	CASE NUMBER:
RESPONDENT: NATIONAL GENERAL INSURANCE COMPANY, ET AL.	21CV02703

- c. ☐ **by mail and acknowledgment of receipt of service.** I mailed the documents listed in item 2 to the party, to the address shown in item 4, by first-class mail, postage prepaid,
- (1) on (date): (2) from (city):
- (3) ☐ with two copies of the *Notice and Acknowledgment of Receipt* and a postage-paid return envelope addressed to me. (Attach completed Notice and Acknowledgement of Receipt.) (Code Civ. Proc., § 415.30.)
- (4) ☐ to an address outside California with return receipt requested. (Code Civ. Proc., § 415.40.)
- d. ☐ **by other means** (specify means of service and authorizing code section):
- ☐ Additional page describing service is attached.
6. The "Notice to the Person Served" (on the summons) was completed as follows:
- a. ☐ as an individual defendant.
- b. ☐ as the person sued under the fictitious name of (specify):
- c. ☐ as occupant.
- d. ☒ On behalf of **INTEGON NATIONAL NATIONAL INSURANCE COMPANY** under the following Code of Civil Procedure section:
- | | |
|-------------------------------------------------------------------|-----------------------------------------------------------------------|
| <input checked="" type="checkbox"/> 416.10 (corporation) | <input type="checkbox"/> 415.95 (business organization, form unknown) |
| <input type="checkbox"/> 416.20 (defunct corporation) | <input type="checkbox"/> 416.60 (minor) |
| <input type="checkbox"/> 416.30 (joint stock company/association) | <input type="checkbox"/> 416.70 (ward or conservatee) |
| <input type="checkbox"/> 416.40 (association or partnership) | <input type="checkbox"/> 416.90 (authorized person) |
| <input type="checkbox"/> 416.50 (public entity) | <input type="checkbox"/> 415.46 (occupant) |
| | <input type="checkbox"/> other: |

7. **Person who served papers**

- a. Name: **Juan Reyes - Nationwide Legal, LLC REG: 12-234648**
- b. Address: **110 West C. St, Suite 1211 San Diego, CA 92101**
- c. Telephone number: **(619) 232-7500**
- d. The fee for service was: **\$ 142.50**
- e. I am:
- (1) ☐ not a registered California process server.
- (2) ☐ exempt from registration under Business and Professions Code section 22350(b).
- (3) ☒ registered California process server:
- (i) ☐ owner ☐ employee ☒ independent contractor.
- (ii) Registration No.: **6013**
- (iii) County: **Los Angeles**
8. ☒ I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
- or
9. ☐ I am a California sheriff or marshal and I certify that the foregoing is true and correct.

Date: **2/25/2022**

N

Nationwide Legal, LLC
110 West C. St, Suite 1211
San Diego, CA 92101
(619) 232-7500
www.nationwideasap.com

Juan Reyes

(NAME OF PERSON WHO SERVED PAPERS/SHERIFF OR MARSHAL)



POS-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address) John T. Richards, Esq. SBN: SBN 159875 JOHN T. RICHARD, ESQ 750 B Street, Ste 1760 San Diego, CA 92101 TELEPHONE NO.: (619) 237-9800 FAX NO. E-MAIL ADDRESS ATTORNEY FOR (Name): Plaintiff:	FOR COURT USE ONLY <div style="display: flex; justify-content: space-between;"> F Superior Court of California F </div> <div style="display: flex; justify-content: space-between;"> I County of Butte I </div> <div style="display: flex; justify-content: space-between;"> L 3/7/2022 L </div> <div style="display: flex; justify-content: space-between;"> E E </div> <div style="display: flex; justify-content: space-between;"> D Sharif Elmallah, Clerk D </div> <div style="display: flex; justify-content: space-between;"> By <i>a. Snow</i> Deputy </div> <div style="display: flex; justify-content: space-between;"> Electronically FILED </div>
BUTTE COUNTY SUPERIOR COURT STREET ADDRESS: 1775 CONCORD AVENUE CITY AND ZIP CODE: CHICO, CA 95928 BRANCH NAME: CHICO	
PLAINTIFF/PETITIONER: LARRY BIEGLER, an individual, et al. DEFENDANT/RESPONDENT: NATIONAL GENERAL INSURANCE COMPANY, ET AL.	CASE NUMBER: 21CV02703
PROOF OF SERVICE OF SUMMONS	Ref. No. or File No.: Biegler

(Separate proof of service is required for each party served.)

1. At the time of service I was at least 18 years of age and not a party to this action.
2. I served copies of:
 - a. ☒ Summons
 - b. ☐ Complaint
 - c. ☐ Alternative Dispute Resolution (ADR) package
 - d. ☒ Civil Case Cover Sheet
 - e. ☐ Cross-Complaint
 - f. ☒ other (specify documents): **First Amended Complaint;**
3. a. Party served (specify name of party as shown on documents served):
NATIONAL GENERAL INSURANCE COMPANY
- b. ☒ Person (other than the party in item 3a) served on behalf of an entity or as an authorized agent (and not a person under item 5b on whom substituted service was made) (specify name and relationship to the party named in item 3a):
Duane Peralta - Agent for Service
4. Address where the party was served: **5301 Truxtun Ave Ste 100**
Bakersfield, CA 93309-0743
5. I served the party (check proper box)
 - a. ☐ **by personal service.** I personally delivered the documents listed in item 2 to the party or person authorized to receive service of process for the party (1) on (date): (2) at (time):
 - b. ☒ **by substituted service.** On (date): **2/28/2022** at (time): **3:32 PM** I left the documents listed in item 2 with or in the presence of (name and title or relationship to person indicated in item 3b):
LYNETTE S. - PERSON IN CHARGE
Age: 41-45 | Weight: 141-160 | Hair: BROWN | Sex: Female | Height: 5'7"-6'0" | Eyes: | Race: CAUCASIAN
- (1) ☒ **(business)** a person at least 18 years of age apparently in charge at the office or usual place of business of the person to be served. I informed him or her of the general nature of the papers.
- (2) ☐ **(home)** a competent member of the household (at least 18 years of age) at the dwelling house or usual place of abode of the party. I informed him or her of the general nature of the papers.
- (3) ☐ **(physical address unknown)** a person at least 18 years of age apparently in charge at the usual mailing address of the person to be served, other than a United States Postal Service post office box. I informed him or her of the general nature of the papers.
- (4) ☐ I thereafter mailed (by first-class, postage prepaid) copies of the documents to the person to be served at the place where the copies were left (Code Civ. Proc., §415.20). I mailed the documents on (date): from (city): or ☒ a declaration of mailing is attached.
- (5) ☐ I attach a **declaration of diligence** stating actions taken first to attempt personal service.

Page 1 of 2

PETITIONER: LARRY BIEGLER, an individual, et al.	CASE NUMBER:
RESPONDENT: NATIONAL GENERAL INSURANCE COMPANY, ET AL.	21CV02703

- c. ☐ **by mail and acknowledgment of receipt of service.** I mailed the documents listed in item 2 to the party, to the address shown in item 4, by first-class mail, postage prepaid,
- (1) on (date): (2) from (city):
- (3) ☐ with two copies of the *Notice and Acknowledgment of Receipt* and a postage-paid return envelope addressed to me. (Attach completed *Notice and Acknowledgment of Receipt*.) (Code Civ. Proc., § 415.30.)
- (4) ☐ to an address outside California with return receipt requested. (Code Civ. Proc., § 415.40.)
- d. ☐ **by other means** (specify means of service and authorizing code section):

☐ Additional page describing service is attached.

6. The "Notice to the Person Served" (on the summons) was completed as follows:

- a. ☐ as an individual defendant.
- b. ☐ as the person sued under the fictitious name of (specify):
- c. ☐ as occupant.
- d. ☒ On behalf of **NATIONAL GENERAL INSURANCE COMPANY** under the following Code of Civil Procedure section:
- | | |
|-------------------------------------------------------------------|-----------------------------------------------------------------------|
| <input checked="" type="checkbox"/> 416.10 (corporation) | <input type="checkbox"/> 415.95 (business organization, form unknown) |
| <input type="checkbox"/> 416.20 (defunct corporation) | <input type="checkbox"/> 416.60 (minor) |
| <input type="checkbox"/> 416.30 (joint stock company/association) | <input type="checkbox"/> 416.70 (ward or conservatee) |
| <input type="checkbox"/> 416.40 (association or partnership) | <input type="checkbox"/> 416.90 (authorized person) |
| <input type="checkbox"/> 416.50 (public entity) | <input type="checkbox"/> 415.46 (occupant) |
| | <input type="checkbox"/> other: |

7. Person who served papers

- a. Name: **Larry J. Billingsley, Sr. - Nationwide Legal, LLC REG: 12-234648**
- b. Address: **110 West C. St, Suite 1211 San Diego, CA 92101**
- c. Telephone number: **(619) 232-7500**
- d. The fee for service was: \$ **142.50**
- e. I am:

- (1) ☐ not a registered California process server.
- (2) ☐ exempt from registration under Business and Professions Code section 22350(b).
- (3) ☒ registered California process server:
- (i) ☐ owner ☐ employee ☐ independent contractor.
- (ii) Registration No.: **507**
- (iii) County: **Kern**

8. ☒ I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

or

9. ☐ I am a California sheriff or marshal and I certify that the foregoing is true and correct.

Date: **2/28/2022**



Nationwide Legal, LLC
110 West C. St, Suite 1211
San Diego, CA 92101
(619) 232-7500
www.nationwideasap.com

Larry J. Billingsley, Sr.

(NAME OF PERSON WHO SERVED PAPERS/SHERIFF OR MARSHAL)

(SIGNATURE)

Attorney or Party without Attorney: John T. Richards, Esq., SBN: SBN 159875 JOHN T. RICHARD, ESQ 750 B Street, Ste 1760 San Diego, CA 92101 TELEPHONE No.: (619) 237-9800 Attorney for: Plaintiff				FOR COURT USE ONLY	
FAX No. (Optional):				E-MAIL ADDRESS (Optional):	
Ref No. or File No.:				Biegler	
Insert name of Court, and Judicial District and Branch Court: BUTTE COUNTY SUPERIOR COURT - CHICO					
Petitioner: LARRY BIEGLER, an individual, et al. Respondent: NATIONAL GENERAL INSURANCE COMPANY, ET AL.					
PROOF OF SERVICE BY MAIL		HEARING DATE:		TIME:	
				DEPT.:	
				CASE NUMBER: 21CV02703	

1. I am over the age of 18 and not a party to this action. I am employed in the county where the mailing occurred.
2. I served copies of the Summons; Civil Case Cover Sheet; First Amended Complaint;;
3. By placing a true copy thereof enclosed in a sealed envelope, with First Class postage thereon fully prepaid, in the United States Mail at San Diego, California, addressed as follows:

a. Date of Mailing: February 28, 2022
b. Place of Mailing: San Diego, CA
c. Addressed as follows: NATIONAL GENERAL INSURANCE COMPANY
ATTENTION: Duane Peralta - Agent for Service
5301 Truxtun Ave Ste 100
Bakersfield, CA 93309-0743

I am readily familiar with the firm's practice for collection and processing of documents for mailing. Under that practice, it would be deposited within the United States Postal Service, on that same day, with postage thereon fully prepaid at San Diego, California in the ordinary course of business.

Fee for Service: \$ 142.50
Nationwide Legal, LLC REG: 12-234648
110 West C. St, Suite 1211
San Diego, CA 92101
(619) 232-7500
www.nationwideasap.com

I declare under penalty of perjury under the laws of the State of California that the foregoing information contained in the return of service and statement of service fees is true and correct and that this declaration was executed on **February 28, 2022**.

Signature:

Angela Ralls

Angela Ralls

PROOF OF SERVICE BY MAIL

Order#: SD87394/mailproof